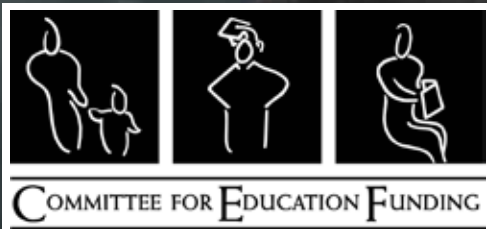


Committee for Education Funding

The Budget Response

Fiscal Year 2013

CEF's Position
Statement on
President Obama's
FY 2013 Budget
Request







About the Committee For Education Funding

The Committee for Education Funding (CEF) is a coalition, currently with 93 members, founded in 1969 with the goal of achieving adequate federal financial support for our nation's educational system. The coalition is voluntary, nonprofit, and nonpartisan. CEF members include educational associations, institutions, agencies, and organizations whose interests range from preschool to postgraduate education in both public and private systems.

The purpose of CEF is to provide members of the general public and government officials with information enabling them to better assess the need for funding of federal education programs. CEF takes positions on federal education funding issues that represent a consensus of its membership and then communicates those positions to federal government officials and members of Congress.

The Committee for Education Funding is managed by the Raben Group and is governed by the membership as a whole with a sixteen-member Board of Directors, including three officers elected from among the membership. CEF publishes timely updates, holds weekly meetings of its membership providing a forum for information exchange and policy discussions, and sponsors seminars on current policy issues led by recognized experts. CEF provides information and assistance to members of Congress and the Administration on education funding issues, as well as holding numerous briefings and policy meetings with congressional staff and Administration officials throughout the year. At its annual Gala, CEF honors outstanding advocates of federal education investment.

As the oldest and largest coalition of education associations in existence, the Committee for Education Funding provides a strong and unified voice in support of increasing federal education funding. We invite comments and inquiries regarding CEF membership or its publications.

When Our Students Succeed, Our Nation Succeeds!

A list of CEF Member Organizations is available at: <http://cef.org/who-we-are/member-organizations/>
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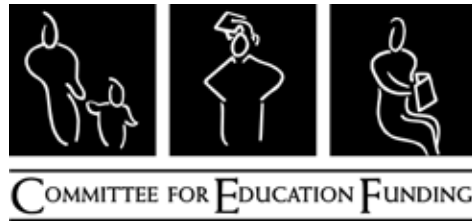
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The Committee for Education Funding Applauds the President's Budget for Investing in Education *Concerned About Funding Freeze for Most Programs*

The Committee for Education Funding (CEF), a coalition of over 90 national education associations and institutions from preschool to postgraduate education, applauds President Obama's Fiscal Year 2013 budget for prioritizing investment in education as a proven strategy to increase jobs and improve our nation's economic growth and competitiveness.

Within a constrained fiscal environment and tight spending caps imposed by the Budget Control Act, the budget proposes an increase of \$1.7 billion, 2.5 percent, in discretionary spending for programs in the Department of Education.

In addition, the budget proposes over \$60 billion in mandatory spending for major new investments in modernizing schools and community college facilities, preventing further layoffs of teachers and other educators, improving the preparation and quality of teachers and school leaders, expanding career academies, and training workers through community colleges.

According to CEF president Jamie Baxter, "While we are pleased with the overall level of education investments in the president's budget, we are deeply concerned with the proposed freeze on virtually all current education programs." At the elementary and secondary level, the foundation programs — Title I and IDEA State grants — receive no increase. Indeed, the federal share of educating students with disabilities will decline to 16 percent. Other critical K-12 programs are frozen, including English Language Acquisition grants, School Improvement Grants, homeless education, literacy programs, rural education, after school, teacher quality grants, and magnet schools. The budget also proposes the elimination of Impact Aid payments for federal property.

Beyond K-12 education, funding for career and technical and adult education, SEOG, TRIO, GEAR UP, aid to Historically Black Colleges and Universities and other minority-serving institutions, HEP/CAMP, and graduate education also are frozen.

Baxter said, "A funding freeze will actually result in a reduction in services to students when the impact of inflation, enrollment increases, and the growing number of students in poverty are factored in."

CEF believes additional resources for existing programs will help achieve the Administration's goals of ensuring students graduate from high school college- and career-ready, improving educator quality, increasing college access and completion, and providing students with the skills they need for 21st century jobs.

CEF is pleased with the budget's support for college access through an increase in the Pell grant maximum award to \$5,635, a \$150 million increase for college work-study, preventing interest rates on subsidized Stafford loans from doubling on July 1, and the permanent extension of the American Opportunity Tax credit. However, concerns remain about the proposal to limit further the in-school interest exemption for subsidized Stafford loans.

Last year the interest exemption was eliminated for graduate and professional students and during the six-month grace period. In addition, students are no longer eligible for a Pell grant if they attend college in the summer. Eligibility for Pell grants was scaled back with 145,000 students losing their Pell grant in the next school year.

CEF also supports the investments in early childhood education, including the increase in Head Start and the Child Care and Development Block Grant (CCDBG), additional funds for the Race to the Top Early Learning Challenge Fund, and the \$20 million increase for IDEA grants for infants and families.

While CEF is pleased with overall education investments in the budget, looming sequestration cuts present a major threat to students, schools, and colleges. "Unless Congress enacts a balanced deficit reduction plan to replace the \$1.2 trillion in sequestration cuts, on January 2, 2013, all education programs other than Pell grants will be slashed by a 9.1 percent across-the-board cut.



Education programs will be chopped by over \$4 billion, moving the country backward in efforts to close academic achievement gaps, improve overall student achievement and educator quality, and increase high school graduation and college access and completion rates,” said CEF Executive Director Joel Packer.

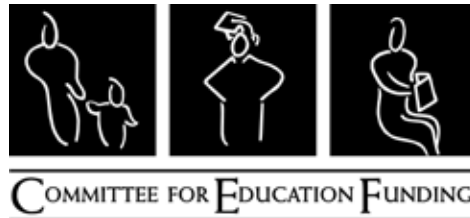
The Administration’s budget proposes to consolidate 38 ESEA programs into nine new flexible funding streams. While such consolidations ultimately will be decided in the ESEA reauthorization, from a budgetary perspective CEF believes any program consolidations should not result in the elimination of essential functions such as improving teacher preparation at institutions of higher education, family engagement, or providing K-12 students with sufficient specialized instructional support personnel.

Packer noted, “In the past two appropriations cycles, funding for over 50 education programs totaling \$1.2 billion has been terminated. Due to State and local budget cuts, almost 250,000 public school employee jobs have been lost in the past three years and State support for higher education is now 3.8 percent below the funding level in FY 2007. That’s why the investments proposed by the president are more important than ever. Students, schools, and colleges need stable, predictable sources of funding.”

“We look forward to working with the Administration and Congress to provide needed investments and to stop the largest education cuts in history from sequestration,” said Baxter. “The president’s budget moves the country forward through investments that grow our economy and by helping students get the skills they need for jobs of the future, while sequestration would move us backward through unprecedented devastating cuts from preschool through graduate education.”

#





Investing in Education = Investing in Our Future

Education programs and institutions at all levels, from Pre-K through graduate-level education, are facing the most challenging fiscal environment in decades. Educators, students, and education institutions face a quadruple whammy:

- The funding cliff created by the termination of \$100 billion in education funds provided by the American Recovery and Reinvestment Act (ARRA) and \$10 billion from the Education Jobs Fund;
- Continuing, and in some cases deepening, State budget cuts;
- Federal funding freezes and cuts enacted in FY 2011 and FY 2012; and
- Possible deep across-the-board reductions in federal spending for education resulting from sequestration in January 2013.

The ARRA Funding Cliff

While \$100 billion in ARRA education funds created or saved over 311,000 jobs in the fourth quarter of 2010, virtually no funds remain available. In addition, any money remaining from the \$10 billion Education Jobs Funds must be spent by September 30, 2012.

State Budget Cuts Continue

The fiscal situation facing schools and colleges remains bleak. The Center on Education Policy found that “the already grim situation for school funding is expected to worsen in the coming school year with a large majority of all school districts, about 70 percent, experiencing funding cuts in school year 2010-11 and an even greater proportion of districts, about 84 percent, anticipating funding cuts in the upcoming school year.” GAO reached a similar conclusion when it found that 72 percent of school districts anticipate having less funding in the 2011-12 school year than they did last year.

According to the Center on Budget and Policy Priorities, “Elementary and high schools are receiving less State funding than last year in at least 37 States, and in at least 30 States school funding now stands below 2008 levels — often far below.”

Based on data from 49 States compiled by the American Association of State Colleges and Universities (AASCU), “Thirty-five States saw declining State appropriations for public four-year universities compared to FY 2011, contrasted with just eight that received increased funds. Six States had flat funding.” Nationally, State support for higher education is now 3.8 percent below the funding level in FY 2007.

Based on Bureau of Labor Statistics data, in January 2012 there were 243,000 fewer local government education employees than three years ago.

Funding Cuts at the Federal Level

The final FY 2011 Continuing Resolution (CR) cut education programs (exclusive of changes to Pell grants) by an aggregate \$1.25 billion with more than three dozen education programs eliminated and another four dozen cut. Program eliminations include literacy and education technology, and programs cut include Teacher Quality State Grants, Career and Technical Education, and support for historically black colleges and universities and other minority-serving postsecondary institutions. The TRIO and GEAR UP programs sustained a combined loss of \$47.2 million, which deprived more than 264,000 low-income students of these critical supportive services.

The FY 2012 omnibus appropriations bill cut Education Department funding by another \$233 million. Since FY 2010, funding for over 50 education programs has been terminated, cutting over \$1.2 billion.

While Congress has maintained the \$5,550 maximum Pell grant in the last two years, increased Pell costs have been paid partly by limiting interest subsidies for federal student loans and curtailing eligibility for Pell grants. Last year the interest exemption and the six-month grace period were eliminated for graduate and professional students. In addition, students are no longer eligible for a Pell grant during college attendance in the summer, and eligibility for Pell grants was scaled back with 145,000 students losing their Pell grant in the next school year. In fact, college students have contributed \$4.6 billion out of their pockets to deficit reduction.

The discretionary spending caps enacted in the Budget Control Act will continue to squeeze funding for education for the next decade. Total funding for the Department of Education (mandatory and discretionary) is only 2 percent of all federal spending. *Education programs are not the cause or even a minor cause of the federal budget deficit. Yet, education funding may be cut by over \$4.1 billion next year due to sequestration.* Other materials in this Budget Response provide additional details on the harmful impact of these cuts.

Education Faces New Challenges

While teachers, schools, colleges, and students cope with layoffs, larger class sizes, narrowing of the curriculum, elimination of after-school programs, and rising tuition due to State budget cuts, enrollments continue to rise and more students need extra services. Public school enrollment is projected to increase by 5 percent and higher education enrollment by 13 percent between 2009 and 2020.

Schools also face the challenge of educating more students with special needs. As an example, the percentage of students living in families below the poverty level has increased from 16 percent in 2000 to 22 percent in 2010. And the student body is becoming more diverse. A 2008 Pew Hispanic Center report found “the Hispanic school-age population will increase by 166 percent by 2050 (to 28 million from 11 million in 2006), while the non-Hispanic school-age population will grow by just 4 percent (to 45 million from 43 million) over this same period.”

At the same time, schools and colleges continue to press toward closing troubling gaps in academic achievement, high school graduation, and college access and completion rates.

Investing in Education Makes Economic Sense

The need for increasing the federal investment in education has never been greater. Jobs and the economy are directly linked to such investments.

In *The High Cost of Low Educational Performance*, the Organization for Economic Co-operation and Development (OECD) found “there are enormous economic gains to be had by OECD countries that can improve the cognitive skills of their populations.” If the United States score on the PISA exam increased by 25 points, the result would be growth of almost \$41 trillion in GDP over the next 80 years!

How much an individual learns directly affects what that individual earns. According to the College Board’s *Education Pays 2010*, “Median earnings of bachelor’s degree recipients working full time year-round in 2008 were \$55,700, \$21,900 more than median earnings of high school graduates.” In addition, “Individuals with some college but no degree earned 17 percent more than high school graduates working full time year-round.” This benefits not only those individuals and their families, but our society and government through payment of more taxes and less reliance on social services.

The U.S. Census Bureau reached a similar conclusion in a September 2011 report (*Education and Synthetic Work-Life Earnings Estimates*): “The results of this analysis demonstrate that there is a clear and well-defined relationship between education and earnings, and that this relationship perseveres, even after considering a collection of other personal and geographic characteristics. When synthetically expanded across 40 years of a working life, the implications of varying educational levels can be quite large—literally millions of dollars in variation.”

In July 2009 the President’s Council of Economic Advisors reported, “Occupations requiring higher educational attainment are projected to grow much faster than those with lower education requirements.” Anthony Carnevale, Director of the Georgetown University Center on Education and the Workforce, estimates by 2018 nearly two-thirds of all jobs in the United States will require some form of postsecondary education or training. In 1973, just 28 percent of jobs, or less than one-third, required such instruction.

Based on the most recent unemployment statistics, the unemployment rate for individuals without a high school diploma was more than three times greater than those with a bachelor’s or higher degree.

A study by the National Institute of Child Health and Human Development (NICHD) “suggests that high-quality education programs focused on preschool through the elementary grades may produce long-term benefits not only for the children enrolled, but for society as well.”

Last year Federal Reserve Chairman Bernanke said, “One critical means [of fostering healthy economic growth] is by ensuring an adequate investment in human capital—that is, in the knowledge and skills of our people. No economy can succeed without a high-quality workforce, particularly in an age of globalization and technical change. Cost-effective K-12 and post-secondary schooling are crucial to building a better workforce, but they are only part of the story. Research increasingly has shown the benefits of early childhood education and efforts to promote the lifelong acquisition of skills for both individuals and the economy as a whole.”

Unmet Needs

Yet many education programs have large unmet needs. To cite a few examples:

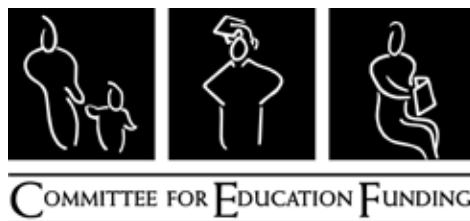
- Fully funding Title I Grants, which serve students at schools with high levels of poverty, would require an appropriation of approximately \$35 billion, an increase of more than \$20 billion.
- Congress acknowledged in 1975 when the IDEA was enacted that the cost of educating a student with disabilities is approximately twice that of educating students who do not receive special education supports and services. When the law was passed, Congress pledged to pay 40 percent of excess costs of educating students with disabilities. Unfortunately over the last three decades, the federal government has not fulfilled its fiscal pledge, leaving States and localities to bear the burden of paying the shortfall. The current federal share is only at 16.3 percent. To achieve the promise of 40 percent would require an additional \$17.7 billion in FY 2013.



- Research conducted by the U.S. Department of Education in 1999 identified over \$125 billion in necessary renovation projects in existing school buildings, while other studies looking at both renovation and new construction costs estimated a nationwide need closer to \$300 billion.
- School library media centers spend an average of \$8.50 per child for books – less than half the average cost of one hardcover school library book. In addition, the average national ratio of library media teachers to students is now only 1:856 students, making direct connections between media teachers and students much more difficult.
- The value of Pell grants in meeting college costs has significantly declined. In the 1988-89 school year, the maximum Pell grant covered 50 percent of college costs at four-year public colleges and 20 percent of costs at four-year private institutions. However by the 2011-12 school year, the maximum Pell covered only 32 percent of average public school costs and 14 percent at private schools.
- Partly due to the declining purchasing power of Pell, students are borrowing ever greater amounts of money to finance college education. Indeed, the amount of money borrowed by students last year crossed the \$100 billion mark for the first time, and total outstanding loans will exceed \$1 trillion for the first time this year. The Federal Reserve Bank of New York reports Americans now owe more on student loans than on credit cards.
- Of the nation's 307 million people, 93 million adults do not possess the necessary literacy levels to enter either postsecondary education or job-training programs, according to the 2003 National Assessment of Adult Literacy.
- State-funded Pre-K programs currently serve just 24 percent of four year olds and 4 percent of three year olds in the U.S.

Solving our nation's fiscal situation and reducing the debt can't and won't happen simply by cutting federal spending, capping discretionary spending, and freezing education. *Investments in education are investments in our fiscal future and our societal well-being.*





SUMMARY OF EDUCATION PROVISIONS IN THE PRESIDENT'S FY 2013 BUDGET

February 20, 2012

For additional information on the President's Education Budget, visit www.ed.gov.

I. MANDATORY PROGRAMS

I. New Programs:

The budget includes several proposed mandatory funding programs for the Department of Education. The following are included in the proposal for a revised American Jobs Act:

- **School modernization**—\$30 billion in FY 2012: “Funds would provide formula grants to States and school districts for the modernization, renovation, and repair of elementary and secondary school buildings. A portion (\$5 billion) of the funds would be provided to States to modernize community colleges (including tribal colleges).”
- **Teacher stabilization**—\$25 billion in FY 2012: “Funds would support formula grants to States to retain, rehire, and hire early childhood, elementary, and secondary educators, including teachers, guidance counselors, classroom assistants, after-school personnel, tutors, and literacy and math coaches,” plus all other school employees.
- **Strengthening the teaching profession**—\$5 billion in FY 2012 for RESPECT (Recognizing Educational Success, Professional Excellence and Collaborative Teaching), which would “...support States and districts that commit to pursuing bold reforms at every stage of the teaching profession....[F]unds would be awarded competitively to States with participating districts, and, in non-participating States, to consortia of districts.” This new program would be based on the following six elements:
 1. **Attracting Top-Tier Talent into Education and Preparing them for Success:** Attract a high performing and diverse pool of people to become teachers and leaders in education – whether new graduates or career switchers – and ensure they are well prepared to be successful in the school environments in which they will work.
 2. **Creating a Professional Career Continuum with Competitive Compensation:** Retain, promote, and maximize the talents of accomplished teachers and leaders and create well-supported roles for novices through career pathways offering competitive compensation and roles and responsibilities with increasingly greater impact, whether educators choose to stay in the classroom or move into administration.
 3. **Creating Conditions for Success:** Create schools where climates and cultures, use of time, approaches to staffing, use of technology, deployment of support services, and family and community engagement are optimized to continuously improve student outcomes.
 4. **Evaluating and Supporting the Development and Success of Teachers and Leaders:** Improve the effectiveness of teachers and leaders by highlighting and sharing the practices of those who successfully improve student outcomes, supporting continuous improvements in instructional practice for everyone, and dismissing educators who despite support are not effective in improving student outcomes.
 5. **Getting the Best Educators to the Students who Need them Most:** Create an education system providing the highest need students (including low-income students, minority students, English learners, and students with disabilities) with the most effective teachers and principals and access to other necessary resources such as technology, instructional materials, and social, health, and nutritional services to support academic success.
 6. **Sustaining a New and Improved System:** Use grant funds to transition to a significantly more effective and efficient educational system sustainable after the grant is completed.
- **Career academies**—\$200 million per year for five years starting in FY 2013: Funds would support grants to increase the number of students served by career academies.
- **Community College Initiative**—\$8 billion total over three years (FY 2012-14) split between the Departments of Education and Labor: Funds would support partnerships between State and community colleges and businesses to build the skills of American workers. The Department of Education would receive \$1.333 billion per year, FY 2012-14.



II. Other Mandatory Spending:

- **Presidential Teaching Fellows.** “The Administration proposes to overhaul and replace TEACH with the Presidential Teaching Fellows (PTF) program. The replacement program provides formula aid to States that hold teacher preparation programs accountable, expand the field of effective providers, and make career milestones like certification and licensure rigorous and meaningful. Fellows will have to be prepared to teach a high-need subject, such as mathematics or science, and commit to teach in a high-need school at least 3 out of 6 years after their fellowship begins.” FY 2013 = \$190 million
- **Maintain the Stafford loan interest rate** at the current low rate of 3.4 percent. The subsidized Stafford loan interest rate is set to rise to 6.8 percent beginning July 1, 2012. The budget proposes to keep the interest rate at the current 3.4 percent for new loans issued through June 30, 2013. FY 2012 cost = \$1.82 billion; cost over 11 years (FY 2012 -22) = \$5.67 billion.

III. Mandatory Savings:

- **Eliminate in-school interest subsidies for undergraduates after 150 percent of program length.** For a two-year degree program, students would receive a subsidized loan for the first three years (150 percent of the length of the program). Interest on any additional loans would accrue, if students attended beyond that period. Students in a four-year degree program would receive subsidized loans for a maximum of six years. Savings: \$82 million in FY 2013; ten-year savings = \$1.779 billion. The budget proposes to apply these savings to the Pell grant program.
- **Adjust guaranty agency loan rehabilitation compensation:** The budget proposes “two technical changes to guaranty agencies’ compensation for rehabilitating defaulted loans: (1) eliminating their current retention share of the original defaulted student loan amount, and (2) reducing to 16 percent the fee they can charge a borrower on a borrower’s outstanding balance. In addition, if a guaranty agency is unable to locate a private sector lender willing to purchase a rehabilitated loan, the guaranty agency will send the loan to the Department of Education instead. In such an event, the guaranty agency would continue to earn a 16 percent collection fee.” This proposal saves \$3.4 billion over 10 years, which will be invested in maintaining the Pell Grant maximum award. All of these savings would occur in FY 2013.

Funding Summary
(In millions of dollars)

	2013	2014	2015	2016	2017	2013-2017	2013-2022
Proposed Changes from Current Law, Total.....	-3,472	-164	-187	-187	-187	-4,197	-5,168
Limit In-School Interest Subsidy to 150%.....	-82	-164	-187	-187	-187	-807	-1,779
Payments to Guaranty Agencies - FFEL.....	-3,390	---	---	---	---	-3,390	-3,390

- **Revise Perkins loans:** “The Budget proposes to expand and improve the Perkins Loan program to provide \$8.5 billion in loans annually, allocating lending authority among institutions on the basis of the financial need of students attending an institution, the extent to which institutions produce Pell-eligible graduates, and the extent to which institutions offer lower tuition prices or high amounts of non-Federal grant aid. This reform would replace the current program that is scheduled to terminate in 2014.” The total would be \$8.85 billion over ten years.

II. **DISCRETIONARY PROGRAMS**

Overall discretionary spending at the Department of Education would increase by \$1.72 billion (+2.5%). Excluding Pell grants, total discretionary spending will increase by the same \$1.72 billion (+3.8%).

For ESEA, the budget once again includes a proposal to restructure programs based on the Administration’s ESEA Blueprint. The budget consolidates 38 programs into nine new funding streams. However, only 16 of the 38 programs are currently funded in FY 2012. In total, funding for the consolidated ESEA programs would increase by \$147.8 million (+3.9%), the largest portion for the revised teacher incentive fund.

- *New programs (not including new programs based on consolidations):*
 - STEM teacher and leader training and professional development, funded through a set aside from the Effective Teachers and Leaders program = \$80 million.
 - Race to the Top: College Affordability and Completion fund = \$1 billion.
 - First in the World = \$55 million.
 - Hawkins Centers of Excellence = \$30 million.



- **Programs Increased:**
 - Promise Neighborhoods = +\$40.1 million (+67%)
 - Race to the Top = +\$301 million (+54.8%)
 - IDEA grants for infants and families = +\$20 million (+4.5%)
 - IDEA State personnel development grants = +\$1.1 million (+2.5%)
 - PROMISE = +\$28 million (+1,403%)
 - Federal work-study = +\$150 million (+15.4%)
 - International Education Domestic programs = +\$1.7 million (+2.5%)
 - FIPSE = +\$67.6 million (+2,859%)
(Includes \$55.5 million for the "First in the World" (FITW) competition.)
 - Research, development and dissemination = +\$12.5 million (+6.6%)
 - Statistics = +\$6 million (+5.5%)
 - Statewide Data Systems = +\$15 million (+39.4%)
 - Head Start (in HHS) = +\$85 million (+1.1%)
 - Child Care & Development Block Grant (in HHS) = +\$325 million (+14.3%)
- **Programs eliminated (not including those proposed for consolidation):**
 - Title I evaluation = -\$3.2 million
 - Impact Aid payments for federal property = -\$66.9 million
 - Training for real-time writers = -\$1.1 million
- **Programs cut:**
 - FIE programs of national significance: = -\$4.5 million (-11.1%)
 - IDEA personnel preparation = -\$2.5 million (-2.8%)
- **Pell grants:**

The budget proposes to maintain the current discretionary level of spending (\$22.824 billion). Coupled with mandatory funding, the Pell maximum award will increase by \$85 to \$5,635. The increase in the maximum is funded by mandatory funds, based on the provisions of the Student Aid and Fiscal Responsibility Act (SAFRA). In FY 2013 SAFRA provides for an increase in the maximum award based on the increase in the CPI. The budget projects a Pell grant surplus of \$2.033 billion in FY 2012 which is carried over into FY 2013. The FY 2013 level includes a surplus of \$1.522 billion which would be carried over into FY 2014. In order to fill a large projected gap in FY 2014 Pell discretionary funding, the budget includes proposed legislative language to carry over these funds. In addition, as noted above, mandatory savings from Perkins and Stafford loans would be applied to the Pell program.
- **Programs frozen:**

All other discretionary programs are frozen at the FY 2012 appropriated level. These programs include the following: Title I, School Improvement Grants, migrant education, neglected/delinquent, HEP/CAMP, homeless education, grants for State assessments, rural education, comprehensive centers, Native Hawaiian and Alaska Native education, 21st Century Community Learning Centers, Indian Education, Investing in Innovation, magnet schools, English Language Acquisition grants, IDEA state grants (dropping the federal share of special education funding to 15.8 percent of the Average Per Pupil Expenditure), IDEA preschool grants, IDEA parent education centers, IDEA technical assistance, IDEA technology and media services, career and technical education, adult education, SEOG, aid for HBCUs and other minority-serving institutions, TRIO, GEAR UP, higher education child care access, graduate assistance, regional education labs, research in special education, and special education studies and evaluations.

- *Programs proposed for consolidation:*

- **Higher Education:**

The Administration proposes to use authority under the Fund for the Improvement of Postsecondary Education (FIPSE) to launch the “First in the World” (FITW) competition and also proposes a consolidation to improve efficiency and lower administrative costs and increase program effectiveness. The new FITW competition includes a tiered-evidence framework, modeled on the Department of Education’s K-12 Investing in Innovation program, which identifies, validates, and scales up promising and effective practices. The initiative subsumes the Transition Programs for Students with Intellectual Disabilities into Higher Education and would allow support for projects that enhance access and completion for students with disabilities. The disability demonstration program would be replaced with a program containing a tiered evidence framework.

Funding Summary
(In millions of dollars)

	2012 Enacted	2013 Request	2013 Change from 2012
FIPSE (competitive grants).....	2	70	68
Transition Programs for Students with Intellectual Disabilities into Higher Education.....	11	0	-11

- **Vocational Rehabilitation:**

“As part of broader Workforce Investment Act reforms, the Budget proposes to consolidate three Rehabilitation Act programs into the Vocational Rehabilitation (VR) State Grants Program.”

Funding Summary
(In millions of dollars)

	2012 Enacted	2013 Request	2013 Change from 2012
VR State Grants ¹	3,122	3,167	45
Supported Employment State Grants.....	29	0	-29
Migrant and Seasonal Farmworkers.....	1	0	-1
VR Training (in-service portion only).....	5	0	-5

¹ *Inclusive of discretionary changes to the mandatory baseline, set-asides, and consolidated programs.*

○ **ESEA:**

DEPARTMENT OF EDUCATION K-12 PROGRAM CONSOLIDATIONS

(In millions of dollars)

	2012 Enacted	2013 Request	2013 Change from 2012
Excellent Instructional Teams			
Effective Teachers and Leaders State Grants		2,467	2,467
Teacher Quality State Grants	2,467		-2,467
Ready to Teach			
Teacher and Leader Innovation Fund		400	400
Teacher Incentive Fund	299		-299
Advanced Credentialing			
Teacher and Leader Pathways		75	75
Transition to Teaching	26		-26
Teacher Quality Enhancement	43		-43
Teachers for a Competitive Tomorrow			
Teach for America			
School Leadership	29		-29
Effective Teaching and Learning for a Complete Education			
Effective Teaching and Learning: Literacy		187	187
Striving Readers	160		-160
Even Start			
Literacy through School Libraries			
National Writing Project			
Reading is Fundamental			
Ready-to-Learn Television	27		-27
Effective Teaching and Learning: Science, Technology, Engineering, and Mathematics		150	150
Mathematics and Science Partnerships	150		-150
Effective Teaching and Learning for a Well-Rounded Education		90	90
Excellence in Economic Education			
Teaching American History			
Arts in Education	25		-25
Foreign Language Assistance			
Academies for American History and Civics			
Close-Up Fellowships			
Civic Education			
Educational Technology State Grants			
Expanding Educational Options			
Expanding Educational Options		255	255
Charter Schools Grants	232		-232
Credit Enhancement for Charter School Facilities ¹	23		-23
Voluntary Public School Choice			
Parental Assistance Information Centers			
Smaller Learning Communities			
College Pathways and Accelerated Learning			
College Pathways and Accelerated Learning		81	81
High School Graduation Initiative	49		-49
Advanced Placement	27		-27
Javits Gifted and Talented			
Supporting Student Success			
Successful, Safe and Healthy Students		196	196
SDFS National Program Activities	65		-65
Elementary and Secondary School Counseling	52		-52
Physical Education	79		-79
Foundations for Learning			
Mental Health Integration in Schools			
Alcohol Abuse Reduction			
Race to the Top	549	850	301
Investing in Innovation	149	150	1

¹ Appropriations language in 2012 requires the Secretary to use, from the amount appropriated in 2012 for Charter Schools Grants, not less than \$23 million for State Facilities Incentive Grants and Credit Enhancement for Charter School Facilities.



III. TAX PROPOSALS

The budget also includes tax proposals that affect education.

- **Permanently extend the American Opportunity Tax Credit (AOTC).** The American Opportunity Tax Credit modified the previous Hope Credit for tax years 2009 and 2010 under ARRA. The credit was extended by the Tax Relief and Job Creation Act of 2010 to apply to tax years 2011 and 2012. The AOTC makes the Hope Credit available to a broader range of taxpayers, including many with higher incomes and those who owe no tax. Required course materials are added to the list of qualifying expenses, and the credit may be claimed for four postsecondary education years rather than two. Many eligible individuals will qualify for the maximum annual credit of \$2,500 per student. The full credit is available to individuals whose modified adjusted gross income is \$80,000 or less, or \$160,000 or less for married couples filing a joint return, higher income limits than under the previous Hope and Lifetime Learning credits. The credit is phased out for taxpayers with incomes above these levels. Ten year cost (including effects on both receipts and outlays) = \$199.7 billion
- **Exclude from taxable income student loans forgiven after 25 years of income-based or income-contingent repayment.** No cost in first ten years.



Education Programs and Earmarks Terminated Fiscal Years 2011 and 2012 Appropriations *(in millions)*

1. Teaching American History	\$118.95
2. Fund for the Improvement of Postsecondary Education (earmarks)	\$121.54
3. Educational Technology State grants	\$100.00
4. Tech Prep Education State grants	\$102.92
5. Fund for Improvement of Education (earmarks)	\$88.79
6. Smaller Learning Communities	\$88.00
7. Even Start	\$66.45
8. Leveraging Educational Assistance Partnerships	\$63.85
9. Byrd Honors Scholarships	\$42.00
10. Parental Information and Resource Centers	\$39.25
11. Civics Education	\$35.00
12. Alcohol Abuse Reduction	\$32.71
13. Foreign Language Assistance	\$26.87
14. Voluntary Public School Choice	\$25.77
15. National Writing Project	\$25.65
16. Reading is Fundamental	\$24.80
17. Voc Rehab Projects with Industry	\$19.20
18. Literacy in School Libraries	\$19.15
19. Teach for America	\$18.00
20. Workplace and Community Transition for Incarcerated Individuals	\$17.19
21. IDEA Technology and Media Services (earmarks)	\$15.33
22. Recording for the Blind and Dyslexic, Inc.	\$13.25
23. Arts in Education (earmarks)	\$12.55
24. National Board for Professional Teaching Standards	\$10.65
25. Course Material Rental Program	\$10.00
26. Exchanges with Historic Whaling and Trading Partners	\$8.75
27. Special Olympics education programs	\$8.10
28. Javits fellowships	\$8.08
29. Javits Gifted and Talented	\$7.46
30. Demonstrations to Support Postsecondary Institutions in Educating Students with Disabilities	\$6.76
31. Centers for Excellence for Veteran Students Success	\$6.00
32. Mental Health Integration in Schools	\$5.91
33. Voc Rehab Demonstration and Training Projects (earmarks)	\$5.14



34. Legal Assistance Loan Repayment Program	\$5.00
35. New Leaders for New Schools (earmark)	\$5.00
36. Thurgood Marshall Legal Education Opportunities	\$3.00
37. Voc Rehab Recreational Projects	\$2.47
38. Women's Educational Equity	\$2.42
39. Teachers for a Competitive Tomorrow	\$2.18
40. Underground Railroad Program	\$1.95
41. Close-Up	\$1.94
42. American History and Civics Academies	\$1.82
43. Institute for International Public Policy	\$1.55
44. Erma Byrd Scholarships	\$1.50
45. Excellence in Economic Education	\$1.44
46. Foundations for Learning	\$1.00
47. Rehab Services Evaluation	\$1.22
48. B.J. Stupak Olympic Scholarships	\$0.98
49. Rehab Services Program Improvement	\$0.85
50. Off-Campus Community Service	\$0.75
51. Reading Rockets Program (earmark)	\$0.74
TOTAL	\$1,229.88





STOP THE LARGEST EDUCATION FUNDING CUTS EVER!

- Unless Congress acts, on January 2, 2013, all federally-funded education programs other than Pell grants will be subject to a 9.1 percent automatic across-the-board cut.
- These cuts—“sequestration” in federal jargon—would chop funding for programs in the Department of Education by over \$4.1 billion. In addition, Head Start would be cut by \$725 million. This would be the largest cut ever to education programs.
- In FY 2014-21, additional cuts to education programs and Pell grants will likely occur due to stringent caps on discretionary-funded programs, which include all education programs other than student loans and Head Start.
- All critical programs will be slashed, including Title I aid to high-poverty schools, IDEA funds for students with disabilities, Impact Aid, teacher quality grants, after-school grants, charter and magnet school aid, English Language Acquisition grants, career and technical and adult education, campus-based student aid, aid to minority-serving institutions, and TRIO and GEAR UP. Following are some specific examples:
 - Title I would be cut by \$1.3 billion, adversely affecting services to more than 1.7 million educationally disadvantaged children.
 - IDEA special education services would be cut by over \$1 billion affecting 536,000 students with disabilities.
 - Funding for teacher quality grants would be cut by \$225 million.
 - While Pell grants are exempt from sequestration in FY 2013, other student financial aid programs such as Supplemental Educational Opportunity Grants and Work-Study would be cut by \$156 million, reducing aid to more than 2 million students.
 - TRIO and GEAR UP will cut by a combined \$104 million, curtailing services to over 145,000 students.
 - Career and Technical Education and Adult Education would be cut by \$158 million, harming more than 1.6 million students.
- Overall, proposed education cuts would jeopardize almost 90,000 education jobs.
- These across-the-board cuts are a result of the failure of Congress last year to enact at least \$1.2 trillion in deficit reduction, as required by the Budget Control Act. Because Congress was unable to adopt a balanced deficit reduction plan that included both revenues and spending cuts, the entire \$1.2 trillion must be taken from discretionary-funded programs.
- These cuts will be in addition to education cuts adopted by Congress last year. Education funding for schools and colleges for the 2011-12 school year, exclusive of changes to Pell grants, was cut in the aggregate by \$1.25 billion (-2.7%) in FY 2011. The FY 2012 omnibus appropriations bill cut aggregate funding for the Department of Education by an additional \$233 million. Between FY 2010 and FY 2012 funding for more than 50 education programs totaling \$1.2 billion has been completely eliminated.
- These cuts will be particularly disruptive to schools because some of the cuts will take effect in January 2013, the middle of the 2012-13 school year.
- Cuts of this magnitude will be harmful to jobs and the economy. A person with a bachelor’s degree has lifetime earnings more than twice that of a high school dropout. Additional earnings benefit not only those individuals and their families but our society and government through payment of higher taxes and decreased reliance on social services.



Impact of Sequestration, FY 2013

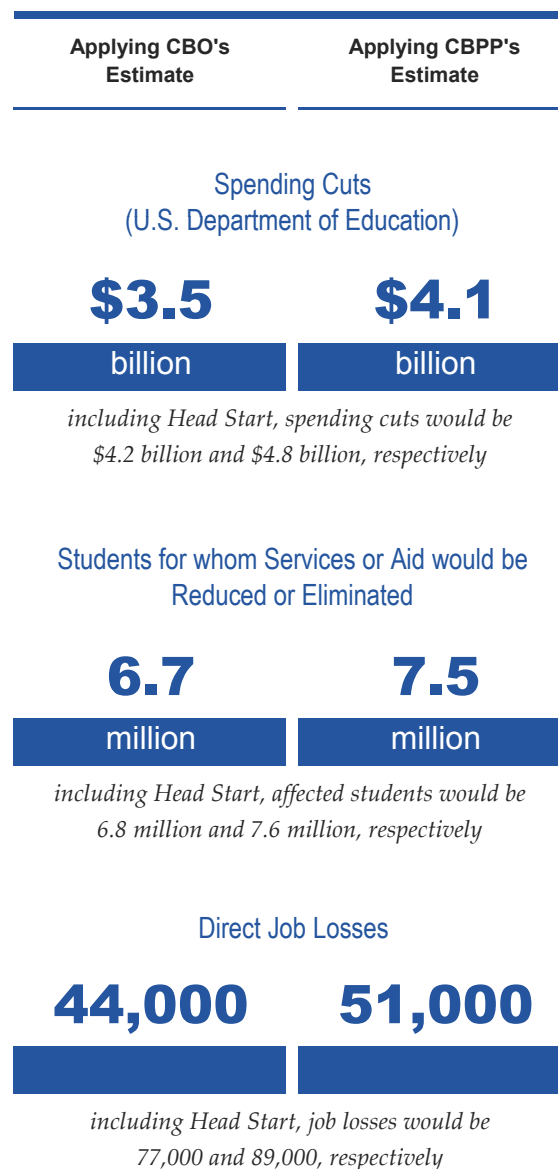
Federal Education-Related Discretionary Programs



The failure of the Joint Select Committee on Deficit Reduction to produce a bill identifying budgetary savings of at least \$1.2 trillion over ten years (fiscal years 2012-2021) has triggered an automatic spending reduction process that includes sequestration (the cancellation of budgetary resources) to take effect on January 2, 2013, as stipulated in the Budget Control Act of 2011 (Public Law 112-25). For fiscal year 2013, automatic, across-the-board budget cuts will be applied to most programs, including all discretionary education programs, except Federal Pell Grants.

For subsequent fiscal years (2014-2021), the discretionary spending reductions are achieved through a downward adjustment of statutory limits on discretionary spending divided into two new categories -- defense and nondefense spending. The Congressional Budget Office (CBO) has estimated that nonexempt discretionary programs would be reduced by 7.8 percent in fiscal year 2013. A more detailed analysis conducted by the Center on Budget and Policy Priorities (CBPP) indicates that nonexempt, nondefense discretionary programs would be reduced by 9.1 percent in 2013.

The accompanying chart, as well as those on the following pages, illustrates the impact under both estimates of an across-the-board reduction to nonexempt federal education programs beginning in January 2013. Since appropriations for fiscal year 2013 (which begins on October 1, 2012) will not be determined for many months, the estimates are based on current (FY 2012) funding levels. Assuming sequestration would begin as scheduled, funding for the U.S. Department of Education would be reduced by \$3.5 billion under CBO's estimate; and by \$4.1 billion under CBPP's estimate, affecting millions of students and leading to potentially significant job losses for educators and other school employees.



For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. Updated on January 31, 2012.



FEDERAL EDUCATION-RELATED DISCRETIONARY PROGRAMS

Impact of Sequestration, FY 2013

Program	Applying CBO's Estimate			Applying the Center on Budget & Policy Priorities' Estimate		
	Funding Cuts (in millions)*	Students Impacted*	Job Losses*	Funding Cuts (in millions)*	Students Impacted*	Job Losses*
U.S. Department of Education Discretionary Programs						
<i>Elementary & Secondary Education</i>						
Grants to Local Educational Agencies (ESEA Title I, Part A)	\$1,132.3	1,496,300	15,900	\$1,321.0	1,745,700	18,600
School Improvement State Grants (ESEA section 1003(g))	41.6	46,300	590	48.6	54,100	680
State Agency Programs: Migrant (ESEA I-C) and Neglected & Delinquent (ESEA I-D)	34.6	30,000	470	40.4	35,000	550
Impact Aid Basic Support Payments (ESEA VIII section 8003(b))	90.0	72,500	1,300	105.0	84,600	1,520
Improving Teacher Quality State Grants (ESEA II, Part A)	192.4	---	2,630	224.5	---	3,060
Mathematics & Science Partnerships (ESEA II-B)	11.7	---	170	13.6	---	190
21st Century Community Learning Centers (ESEA IV-B)	89.8	136,500	1,250	104.8	159,250	1,460
State Assessments (ESEA VI-A-1)	30.4	---	420	35.4	---	490
Education for Homeless Children and Youths (MVHAA Title VII-B)	5.1	67,400	70	5.9	78,600	80
Rural Education (ESEA VI-B)	14.0	345,600	210	16.3	403,250	250
Indian Education Grants to Local Educational Agencies (ESEA VII, Part A-1)	8.3	37,000	120	9.6	43,100	140
English Language Acquisition (ESEA III, Part A)	57.1	351,400	720	66.6	409,900	830
All Other Elementary & Secondary Education	182.3	---	2,450	212.7	---	2,850
<i>Subtotal, Elementary & Secondary Education</i>	1,889.4	2,583,000 **	26,300	2,204.4	3,013,500 **	30,700
<i>Special Education</i>						
Special Education Grants to States (IDEA-B-611)	903.1	459,400	12,500	1,053.6	536,000	14,600
Preschool grants (IDEA-B-619)	29.1	57,500	400	33.9	67,100	470
Grants for infants and families (IDEA-C)	34.5	26,700	480	40.3	31,200	560
All Other Special Education	19.3	---	260	22.5	---	300
<i>Subtotal, Special Education</i>	986.0	543,600	13,640	1,150.3	634,300	15,930
<i>Rehabilitation Services and Disability Research</i>						
	47.2	---	630	55.1	---	740
<i>Career, Technical, and Adult Education</i>						
Career and Technical Education State Grants (Carl D. Perkins CTEA Title I)	87.6	1,214,500	1,240	102.2	1,417,000	1,450
Adult Basic and Literacy Education State Grants (AEFLA and WIA section 503)	46.4	191,700	630	54.1	223,700	740
All Other Career, Technical, and Adult Education	1.5	---	20	1.7	---	25
<i>Subtotal, Career, Technical, and Adult Education</i>	135.5	1,406,200	1,890	158.1	1,640,700	2,215
<i>Federal Student Financial Assistance</i>						
Federal Pell Grants (HEA IV-A-1)	exempt	---	---	exempt	---	---
Federal Supplemental Educational Opportunity Grants (HEA IV-A-3)	57.3	1,339,100	---	66.8	1,339,100	---
Federal Work-Study (HEA IV-C)	76.2	713,100	---	88.9	713,100	---
<i>Subtotal, Federal Student Financial Assistance</i>	133.5	2,052,200 **	---	155.7	2,052,200 **	---
<i>Higher Education</i>						
Aid for Institutional Development (HEA)	49.7	---	160	58.0	---	190
Federal TRIO Programs (HEA IV-A-2, Chapter 1)	65.5	65,600	210	76.4	76,540	250
GEAR UP (HEA IV-A-2, Chapter 2)	23.6	59,000	160	27.5	68,800	185
All Other Higher Education	26.9	---	90	31.4	---	100
<i>Subtotal, Higher Education</i>	165.7	124,600 **	620	193.3	145,340 **	725
<i>Institute of Education Sciences</i>						
	46.3	---	250	54.0	---	290
<i>Departmental Management</i>						
	128.9	---	460	150.3	---	540
Total, U.S. Department of Education Discretionary Programs	\$3,532.5	6,709,600 **	43,790	\$4,121.2	7,486,040 **	51,140
<i>Other Federal Education-Related Programs</i>						
Head Start (HSA section 639)	621.5	75,500	32,720	725.1	88,100	38,180
Total, Federal Education-Related Discretionary Programs	\$4,154.0	6,785,100 **	76,510	\$4,846.4	7,574,140 **	89,320

*Rounded estimates. ** Totals may include some duplication. Some students may receive services under more than one program.

For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. Updated on January 31, 2012.

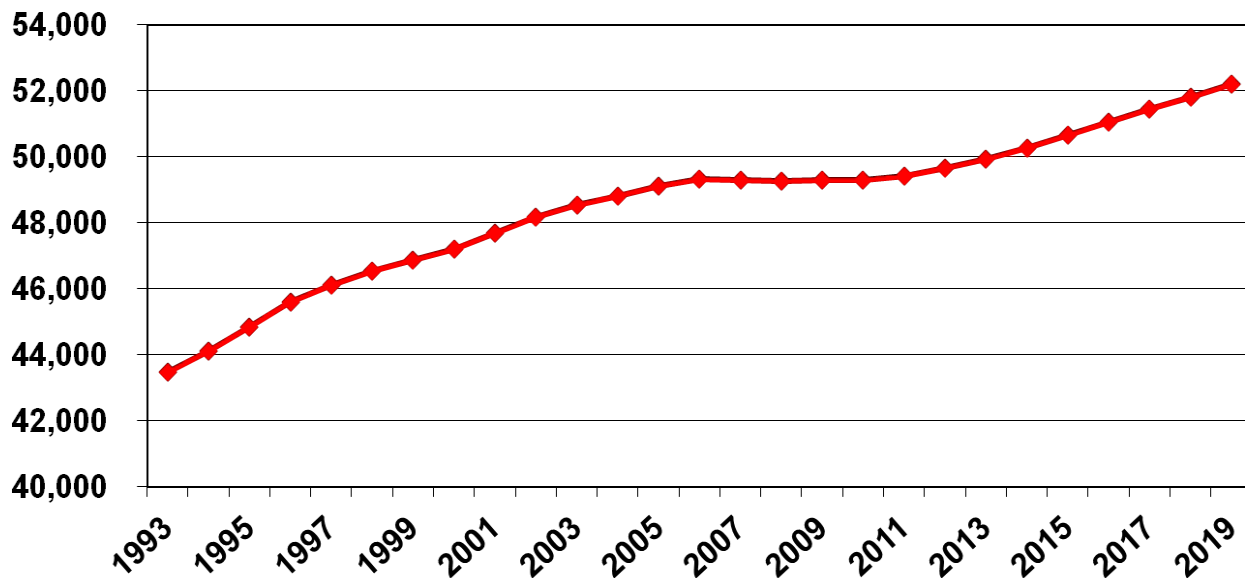
Budget Charts and Graphs

The Need to Invest in Education



Rising K-12 Enrollments

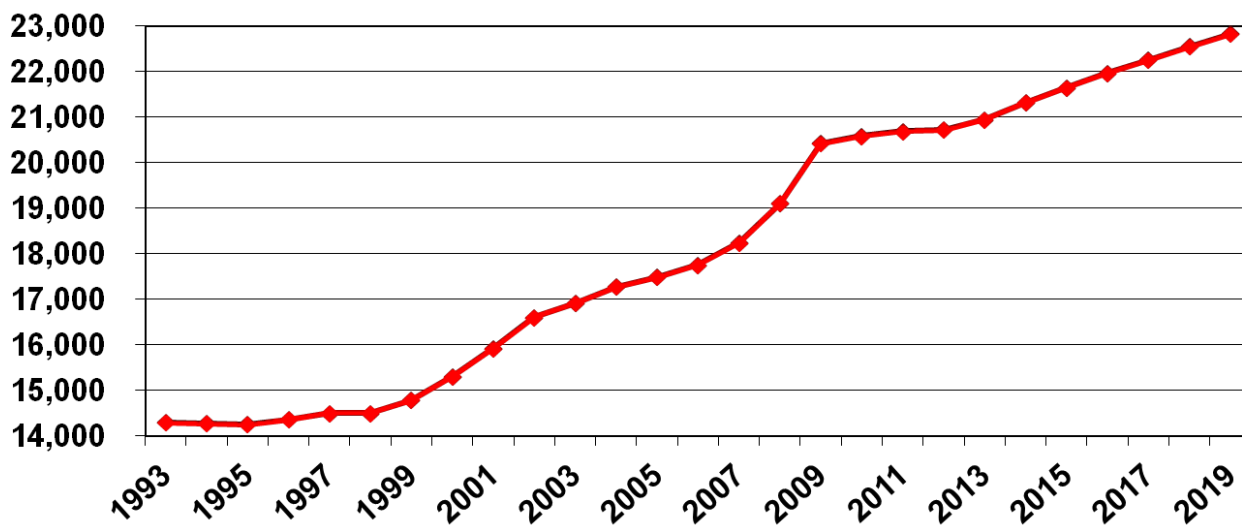
Public school enrollment (in thousands)



SOURCE: CEF, based on NCES Projections of Education Statistics to 2020

Enrollment in Degree-granting Institutions

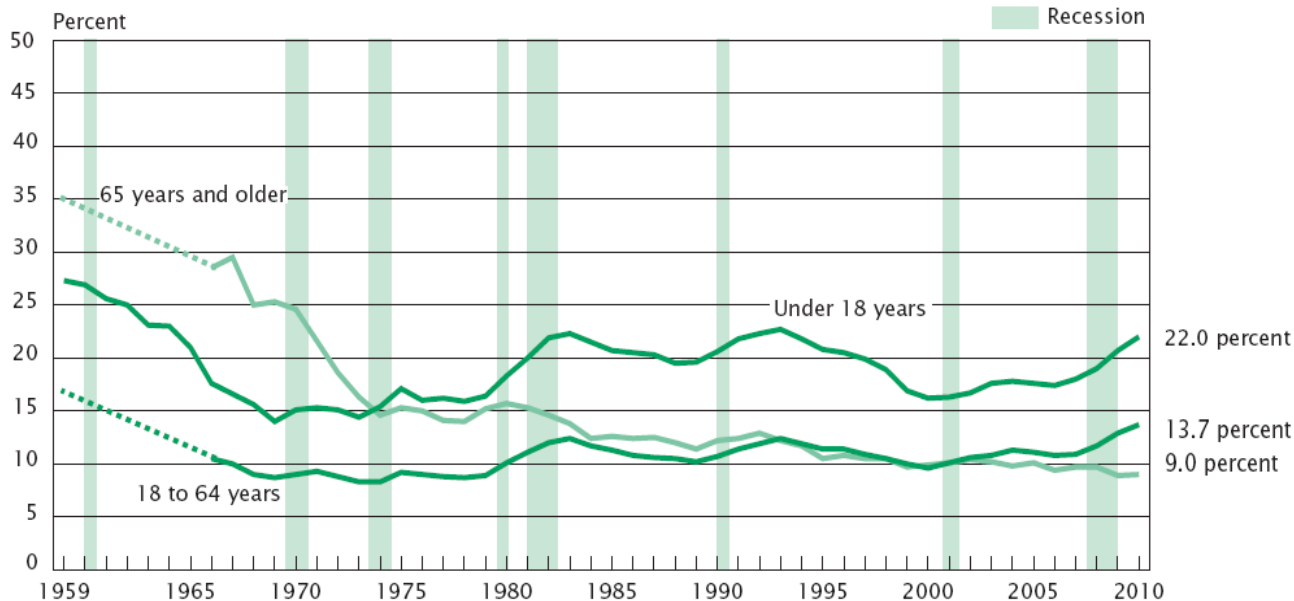
(in thousands)



SOURCE: CEF, based on NCES Projections of Education Statistics to 2020

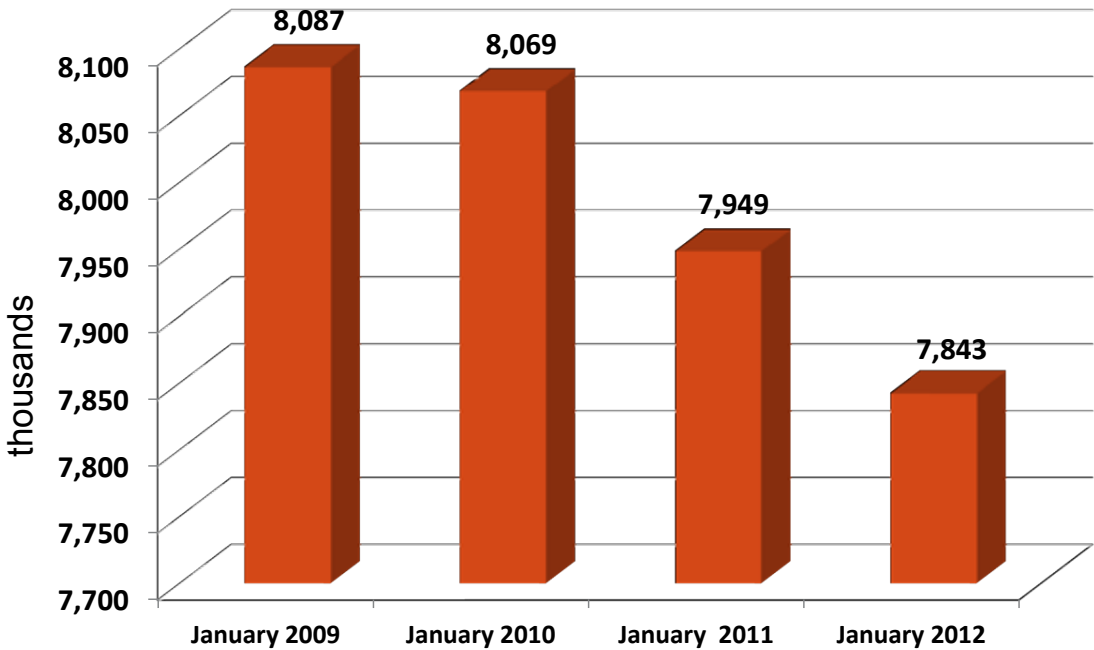


More Children in Poverty (Poverty Rates by Age: 1959 to 2010)



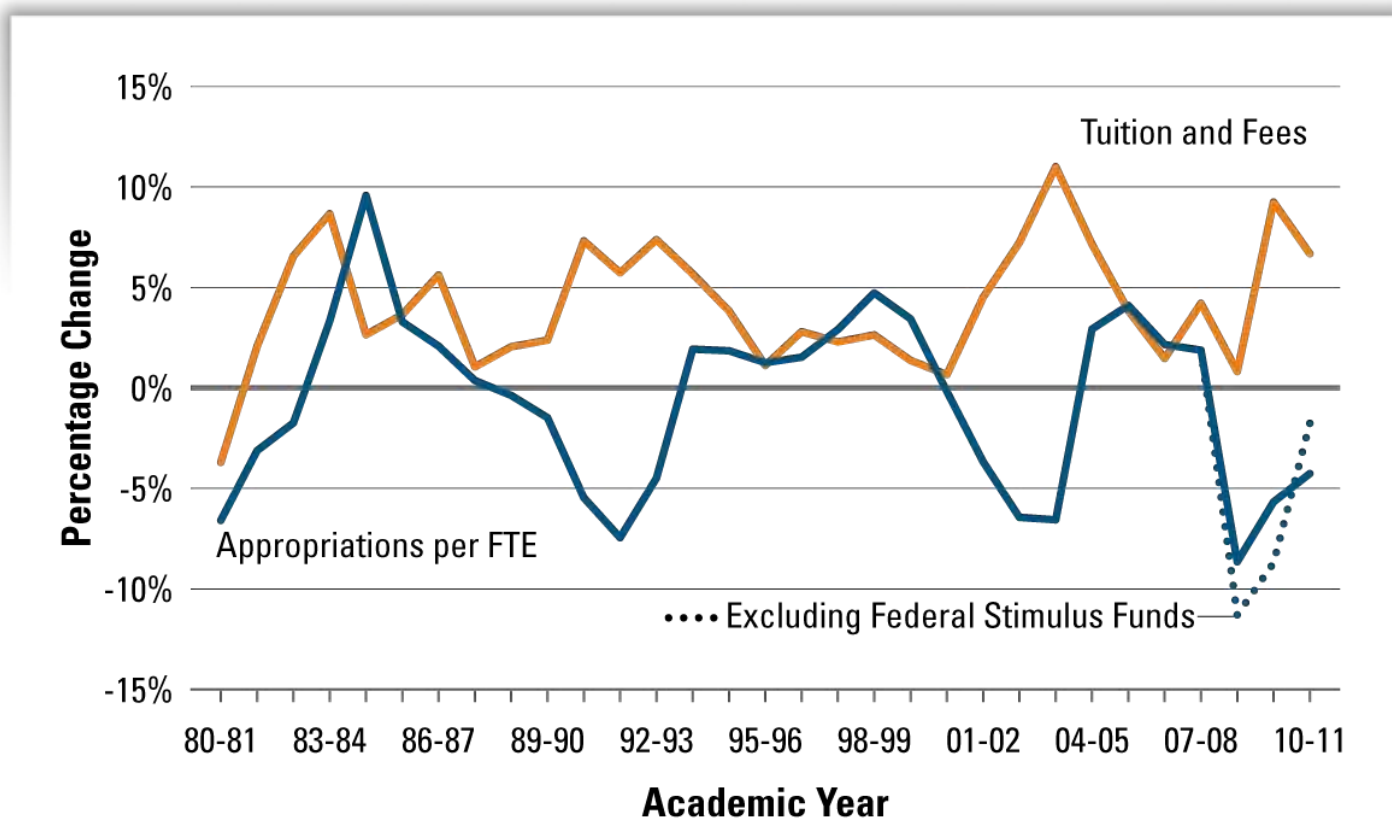
Notes: The data points are placed at the midpoints of the respective years. For information on recessions, see Appendix A. Data for people aged 18 to 64 and 65 and older are not available from 1960 to 1965.
 Source: U.S. Census Bureau, Current Population Survey, 1960 to 2011 Annual Social and Economic Supplements.

Fewer Local Education Employees



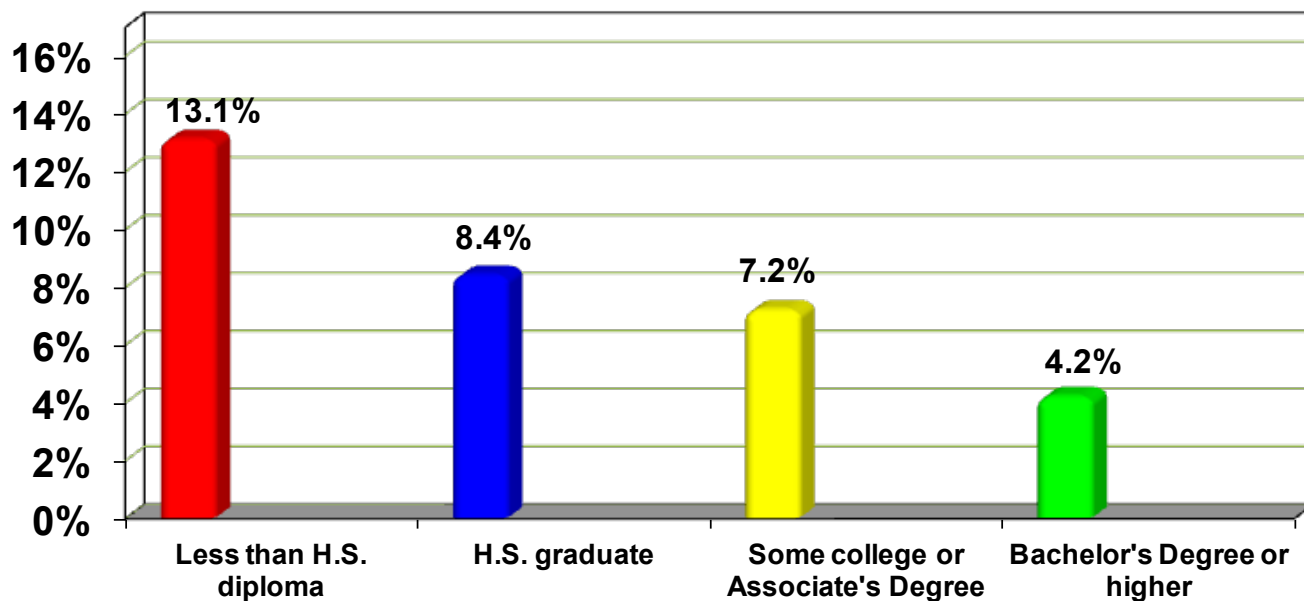
SOURCE: CEF, based on BLS seasonally adjusted employment data

Annual Percentage Changes in State Appropriations for Higher Education per Full-Time Equivalent (FTE) Student and Changes in Inflation-Adjusted Tuition and Fees at Public Four-Year Institutions (1980-81 to 2010-11)



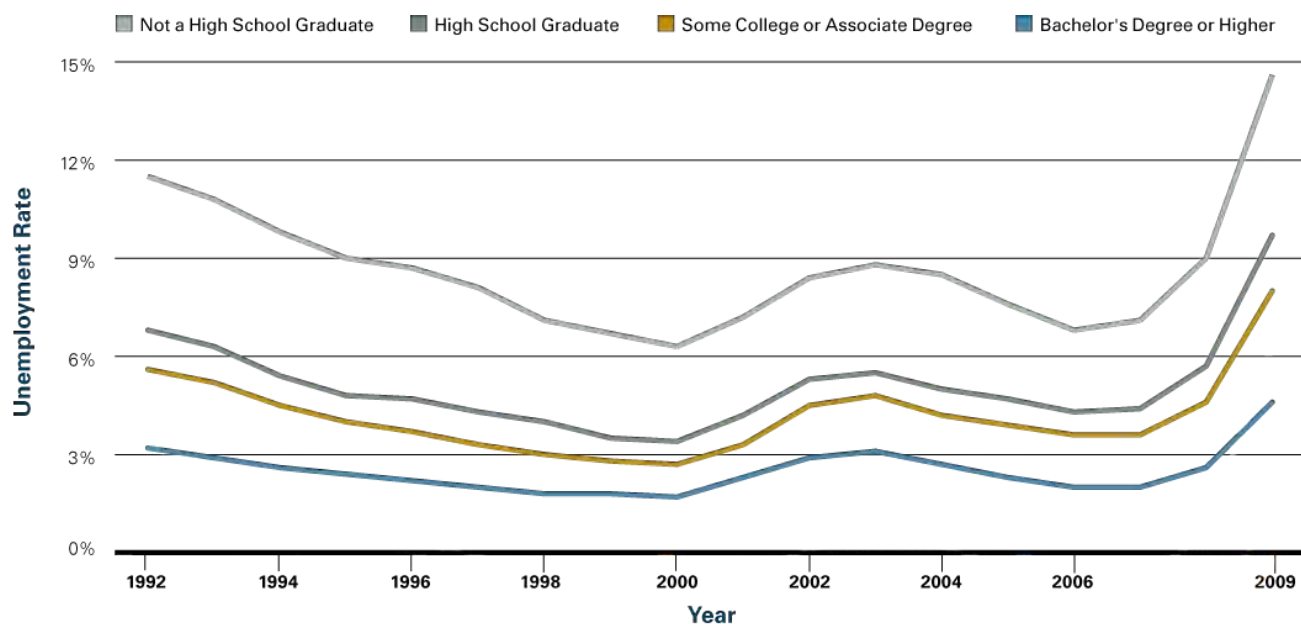
SOURCE: *The College Board, Trends in College Pricing 2011, Figure 10A*

Unemployment Linked to Education Attainment (December 2011 unemployment rate)



SOURCE: CEF, based on BLS data

Unemployment Rates Among Individuals 25 and Older (by Education Level, 1992-2009)

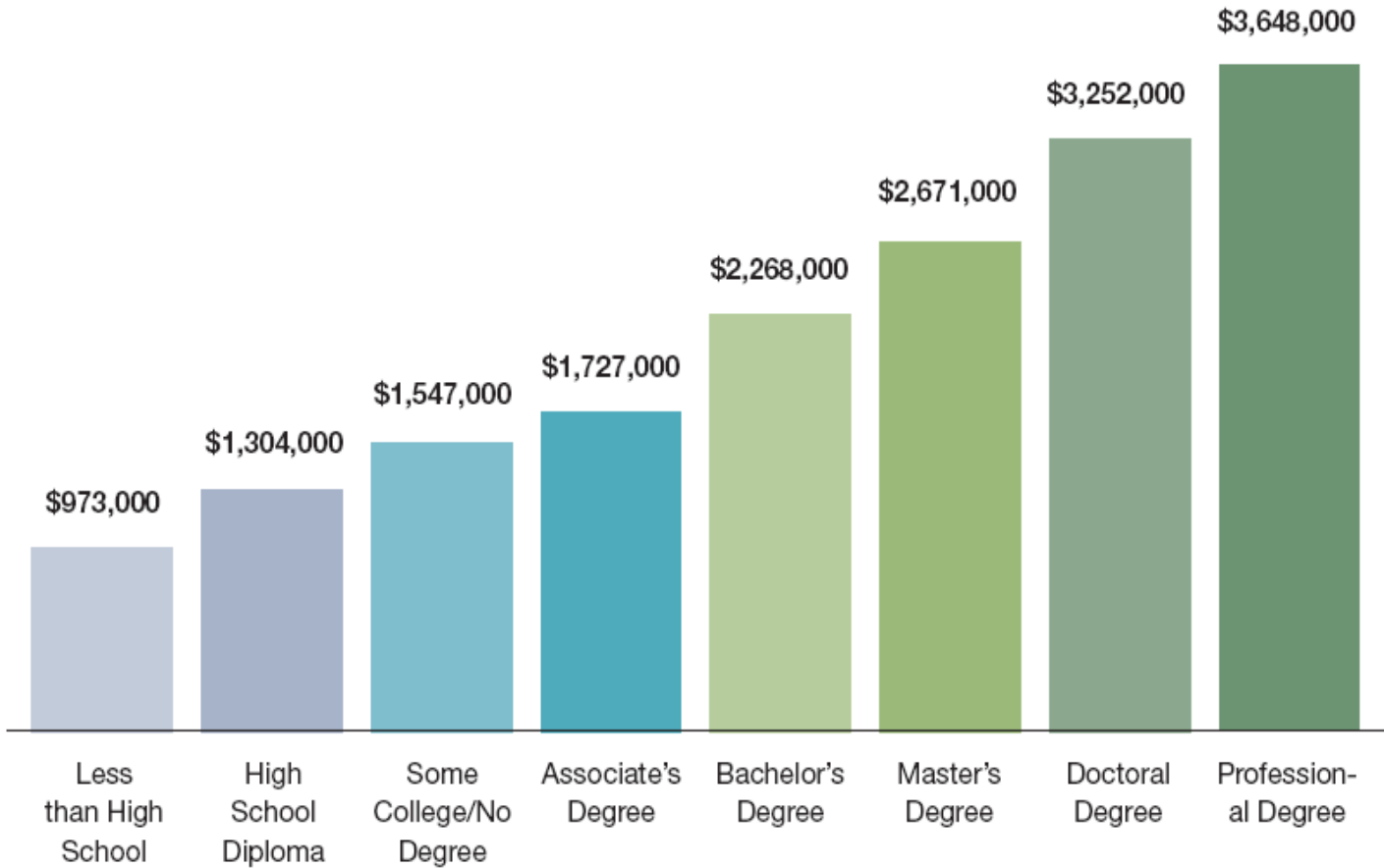


SOURCES: The College Board, Education Pays, 2010, Figure 1.10a; Bureau of Labor Statistics, 2010d



Earnings Based on Learning

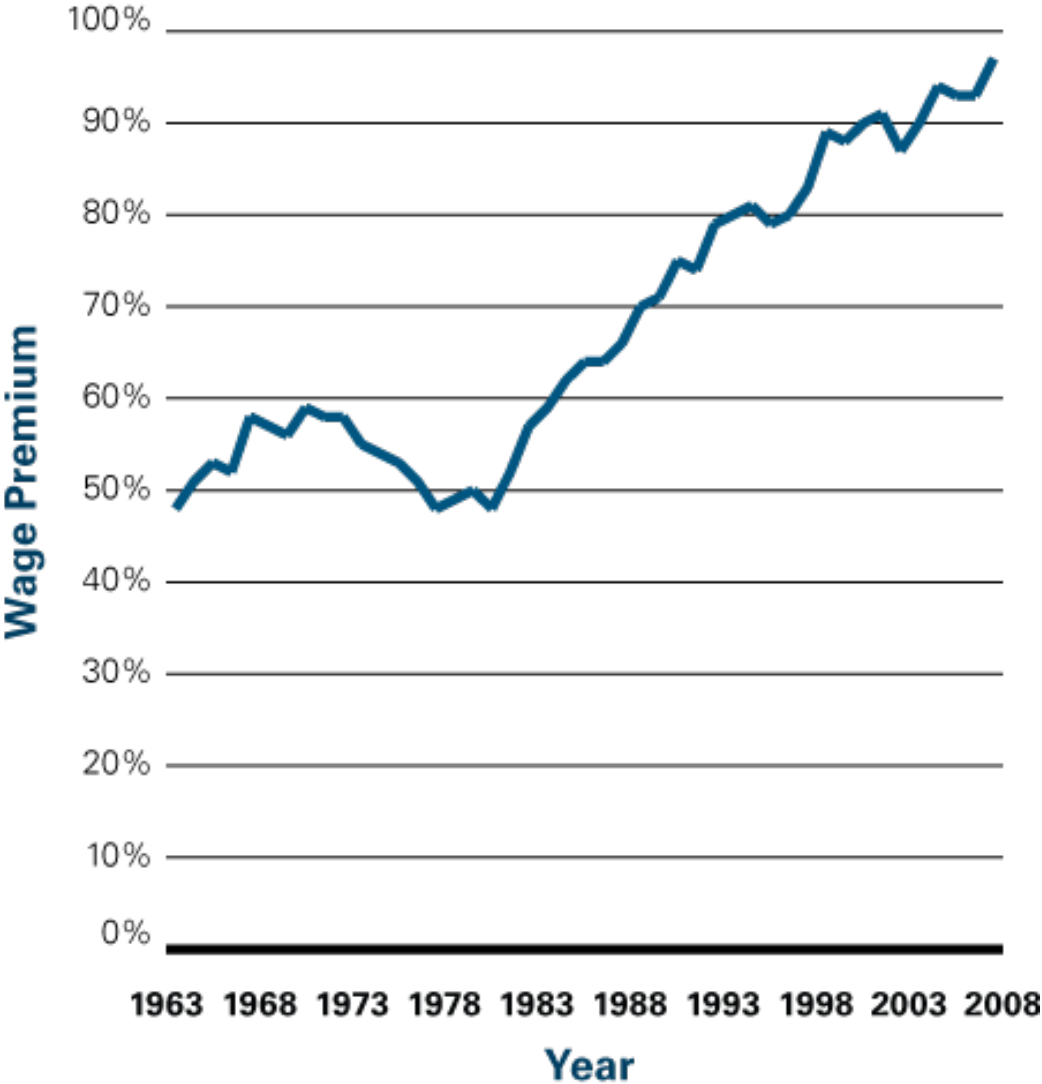
(Median Lifetime Earnings by Highest Educational Attainment, 2009 Dollars)



SOURCE: *Georgetown University Center on Education and the Workforce*

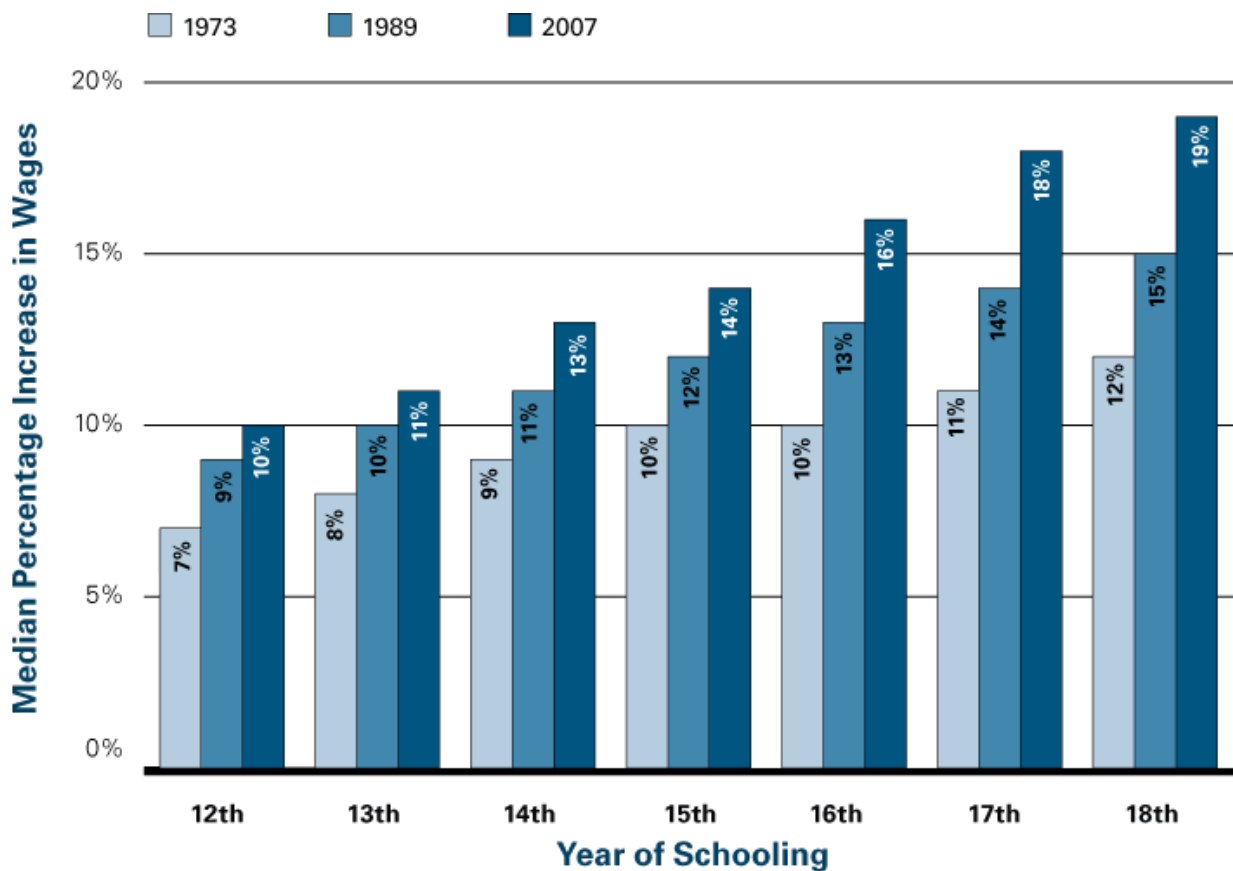


College-to-High School Weekly Wage Premium, 1963-2008



SOURCES: *The College Board, Education Pays, 2010, Figure 1.7a; Autor, 2010.*

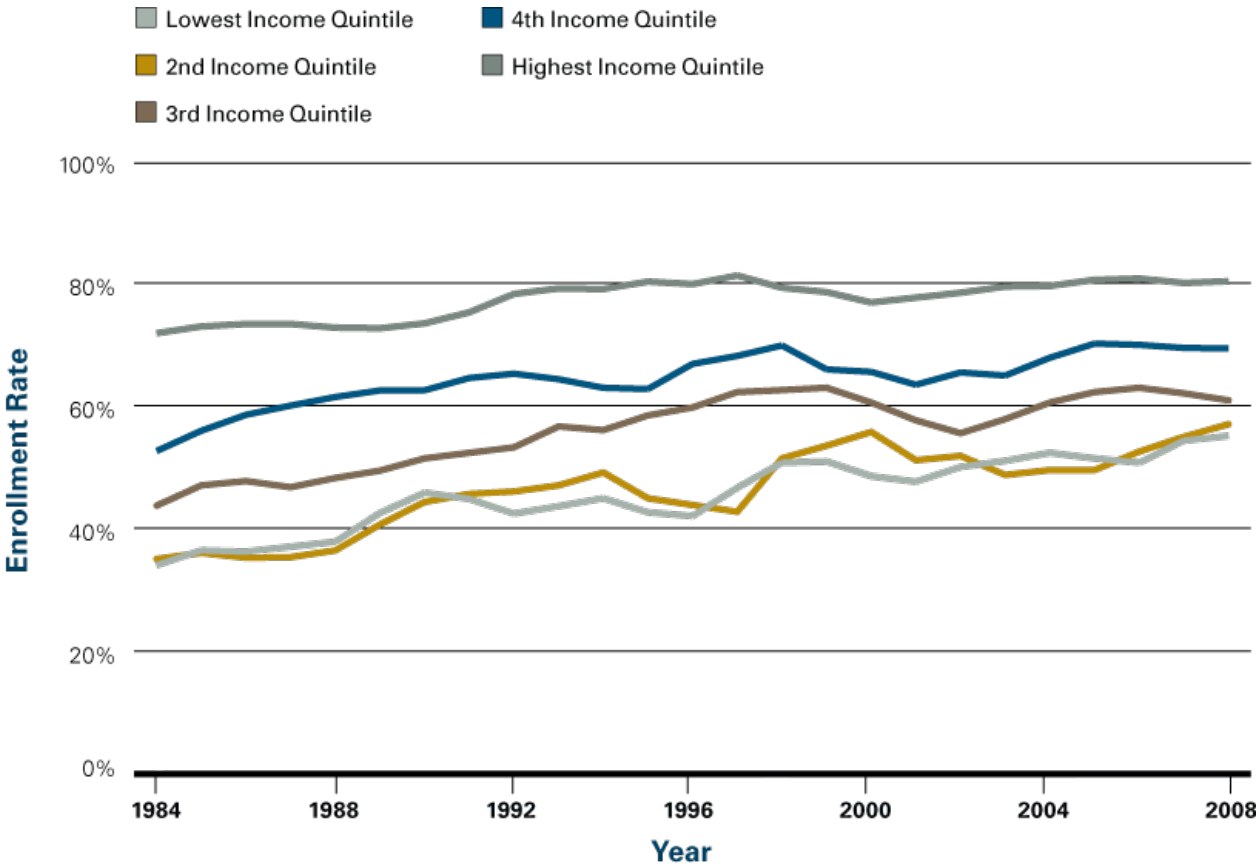
Median Hourly Wage Gain per Year of Schooling (1973, 1989 and 2007)



SOURCES: *The College Board, Education Pays 2010, Figure 1.7b; Autor, 2010.*



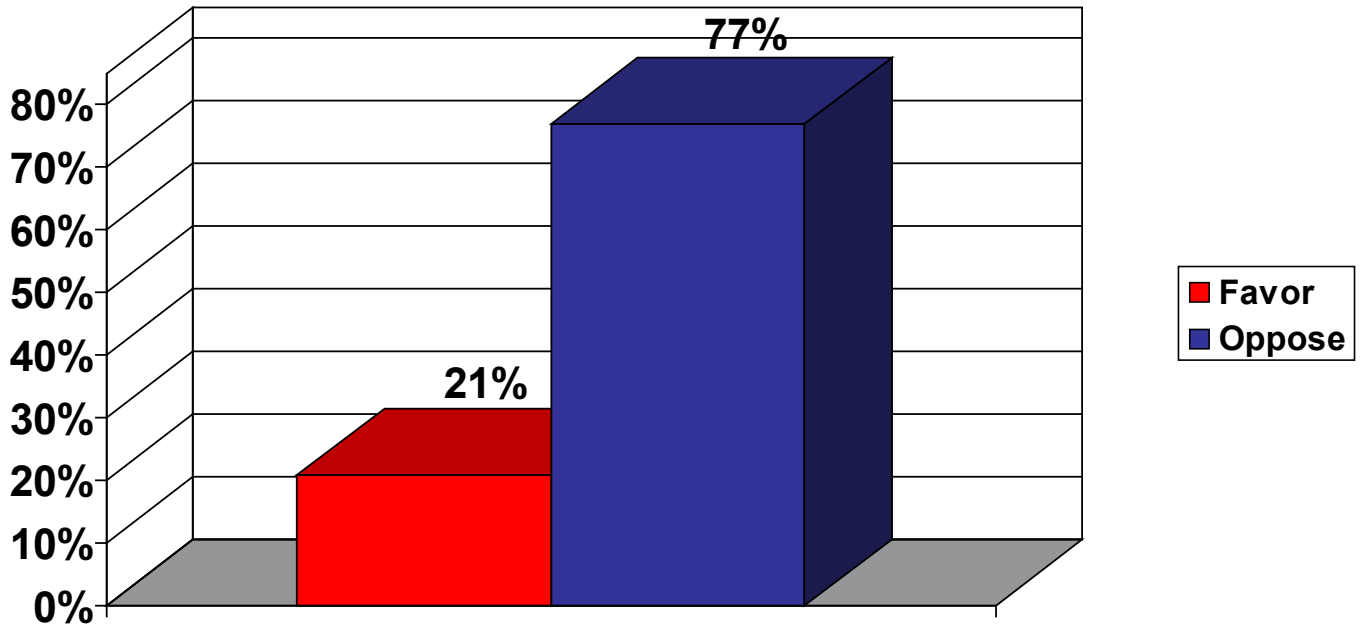
Postsecondary Enrollment Rates of Recent High School Graduates by Family Income, 1984-2008



SOURCES: *The College Board, Education Pays 2010, Figure 2.1;*
National Center for Education Statistics, 2010.

The Public Opposes Education Cuts

(Please tell me if you would favor or oppose substantial changes to program)

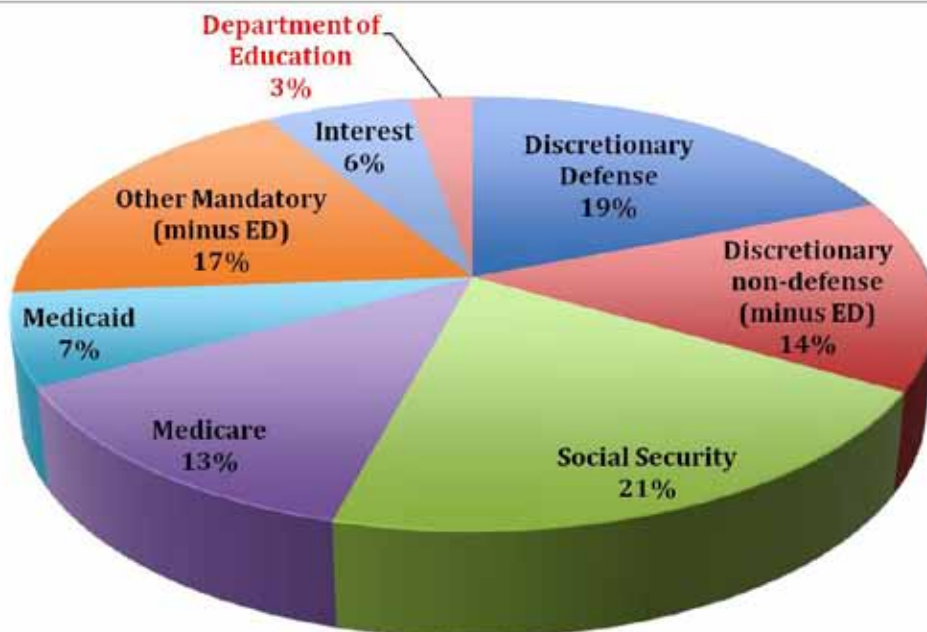


Significantly cut education programs, including No Child Left Behind, Head Start, and subsidies for college loans

SOURCE: March 2011 Bloomberg News National Poll

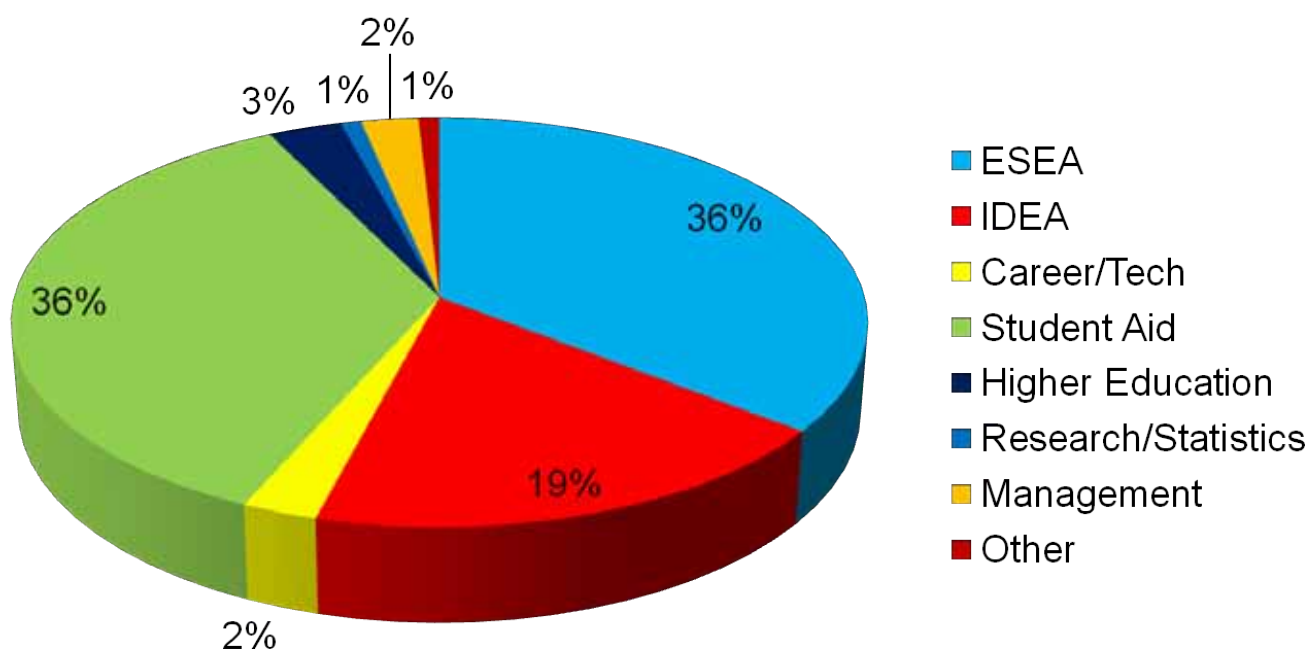
The Federal Budget and Education

Fiscal Year 2012 Outlays

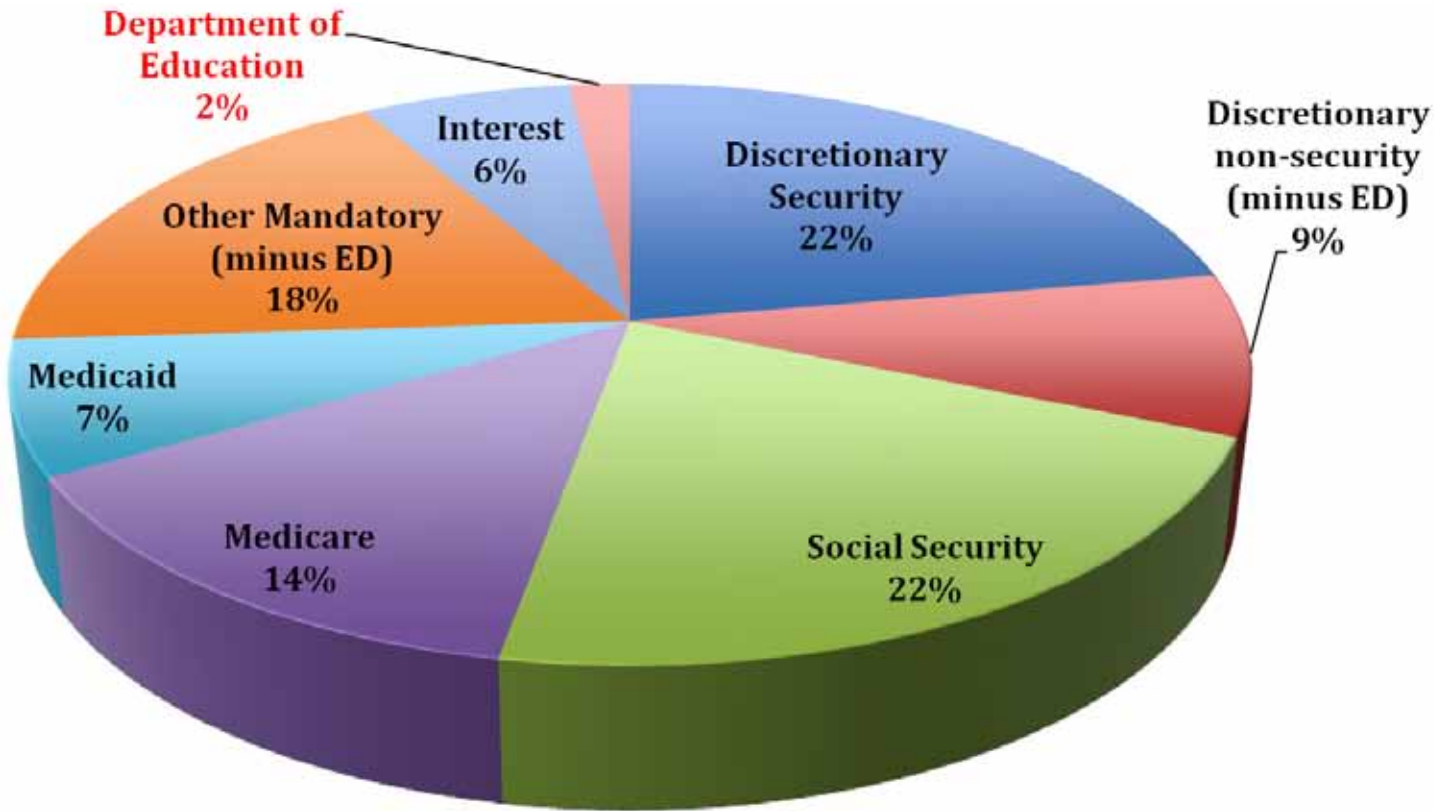


CEF, based on OMB data

FY 2012 Department of Education

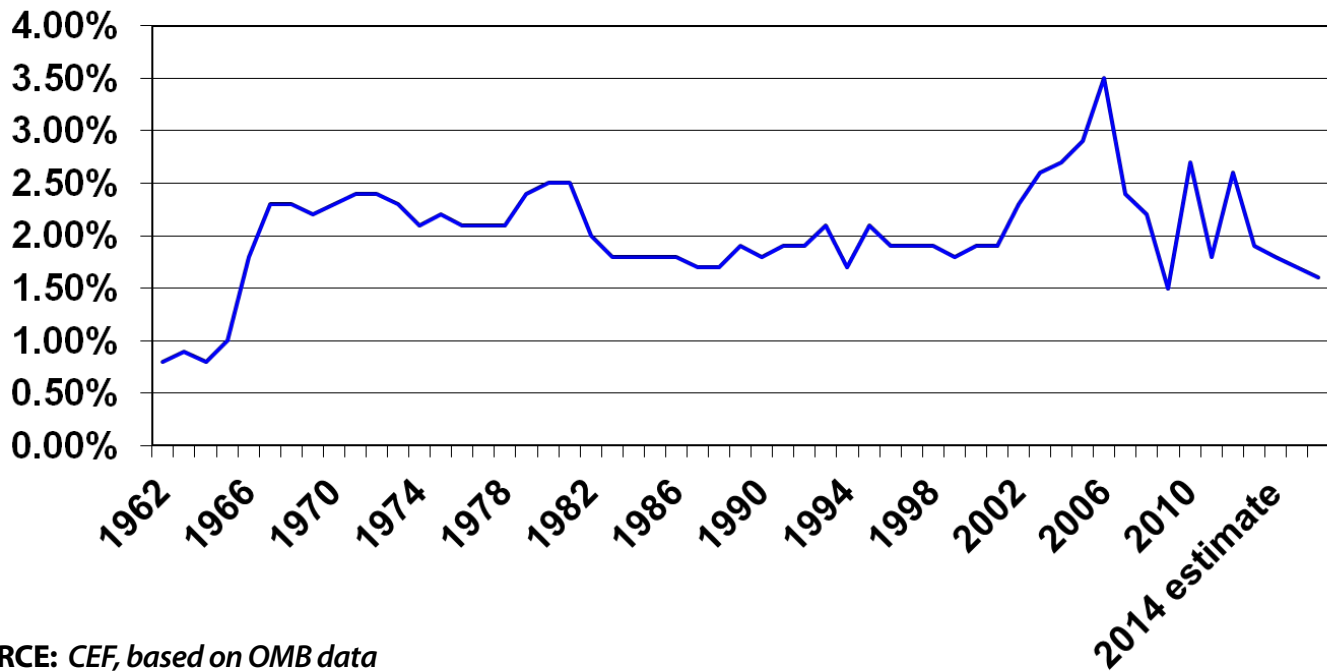


FY 2013 President's Budget



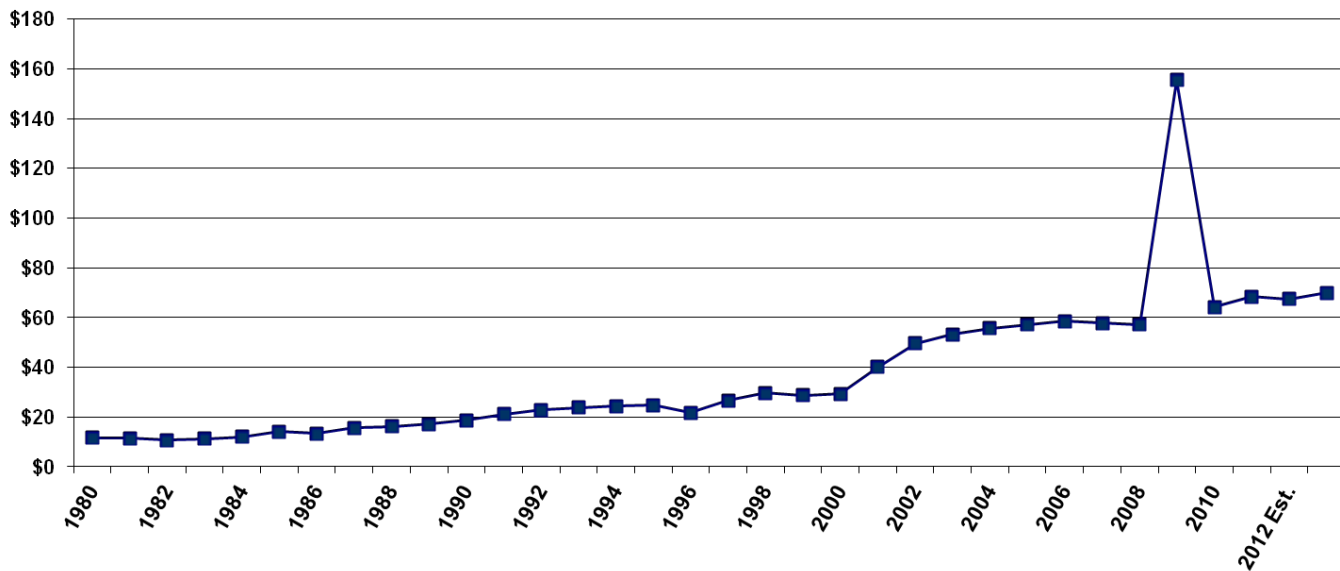
SOURCE: CEF, based on OMB data

Department of Education Outlays as Percentage of Total Federal Outlays



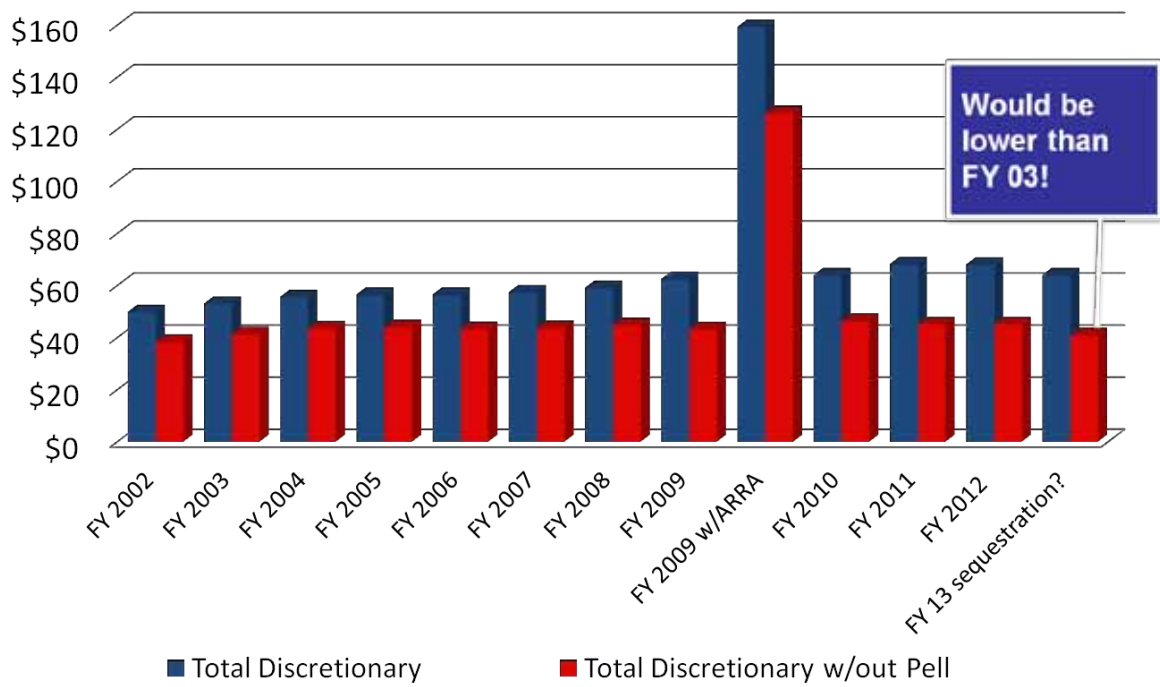
SOURCE: CEF, based on OMB data
<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/hist04z2.xls>

Education Funding (Discretionary Budget Authority in billions)

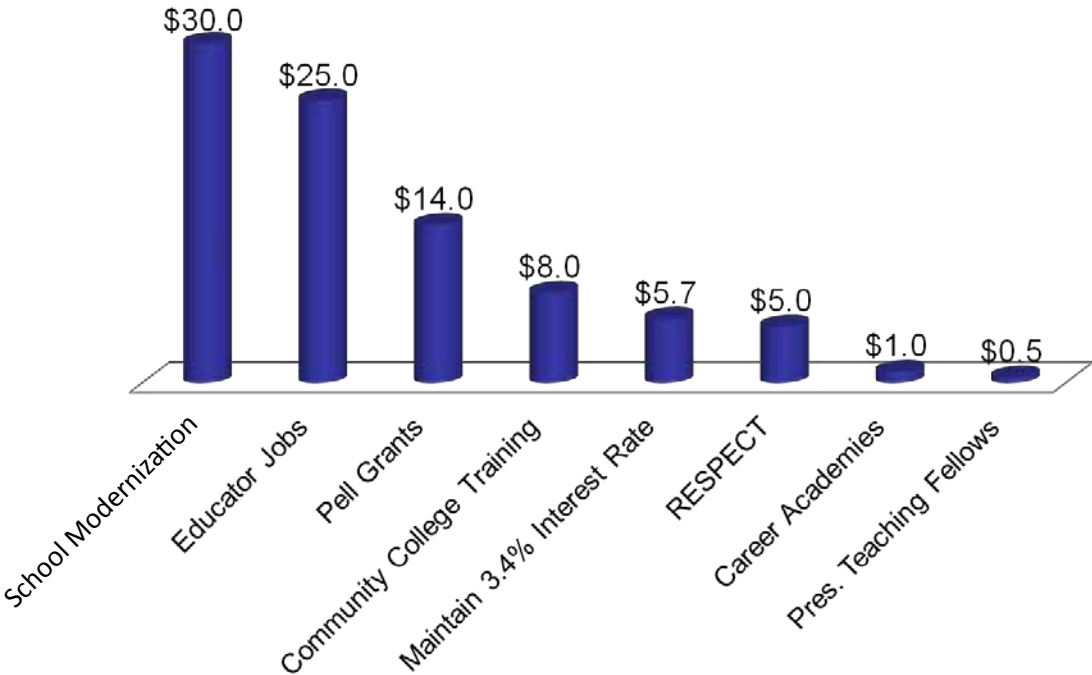


SOURCE: CEF, based on OMB data
<http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/hist05z4.xls>

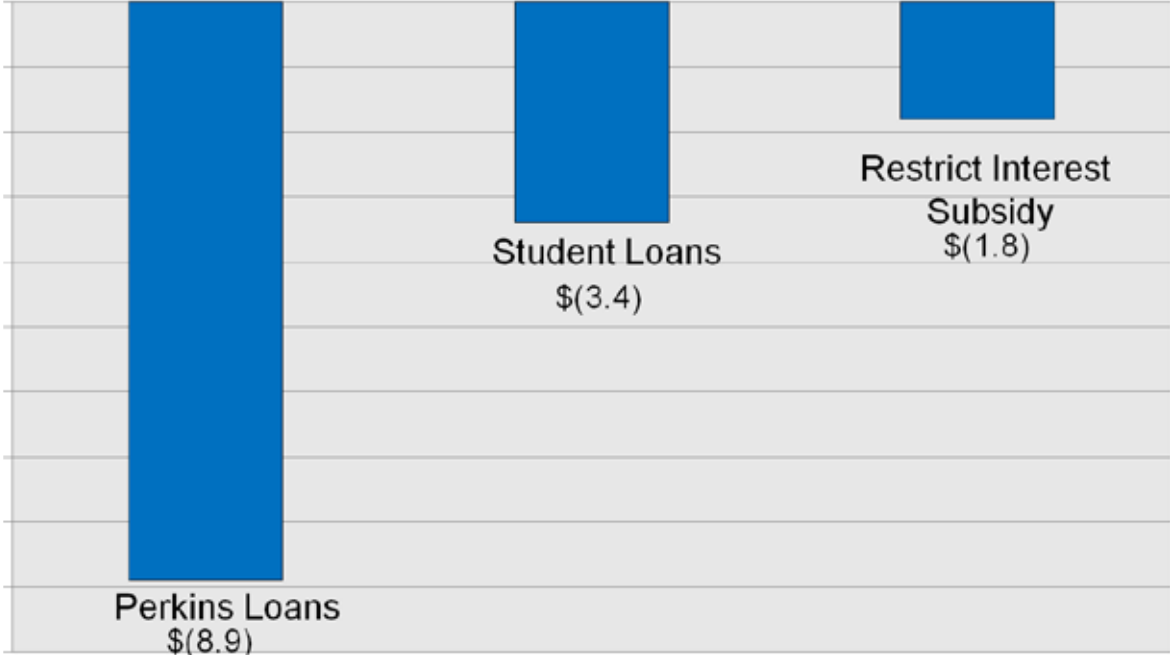
Education Department Funding (in billions)



Proposed Mandatory Spending (in billions - FY 2012-22)

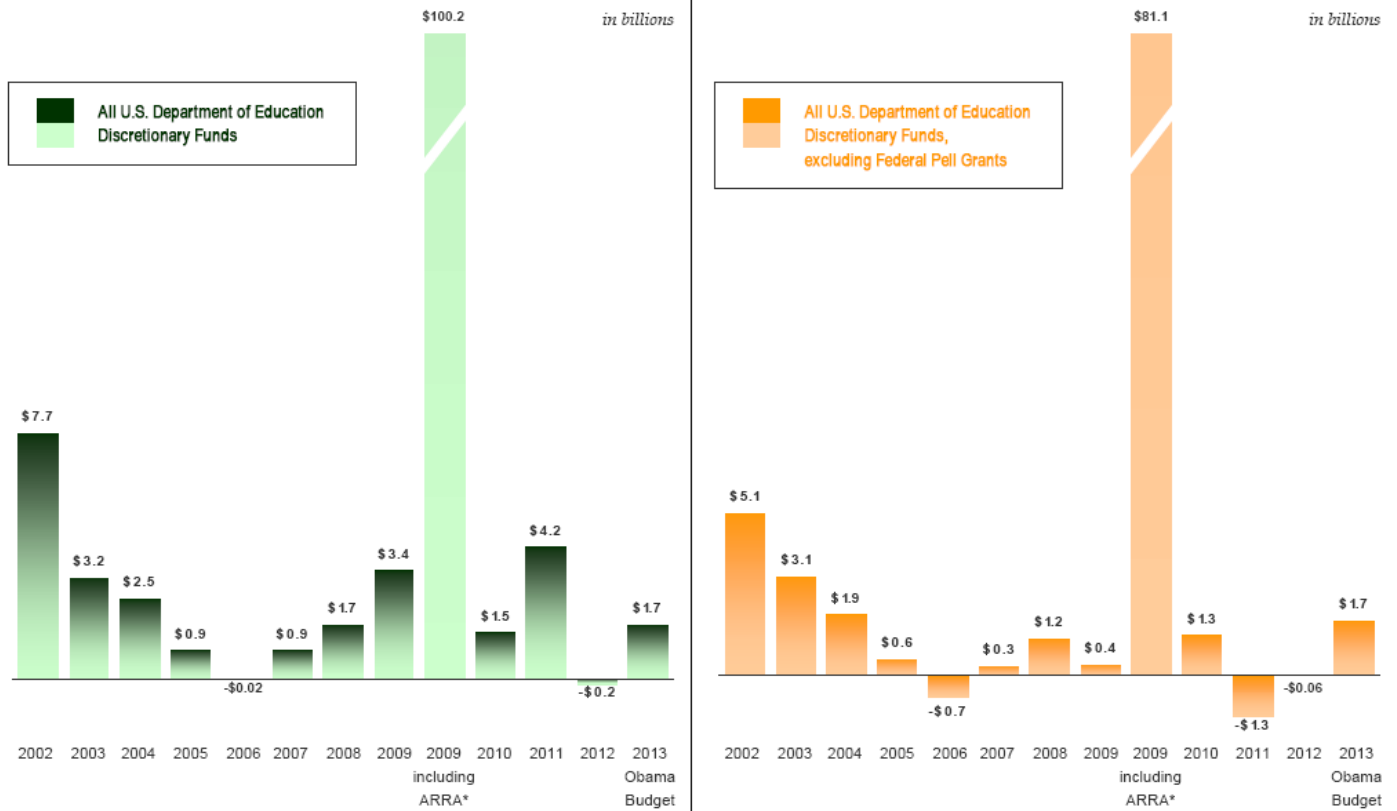


Proposed Mandatory Savings (in billions - FY 2012-22)



Federal Education Funding

Annual Dollar Change in Discretionary Funds, FY 2002-13

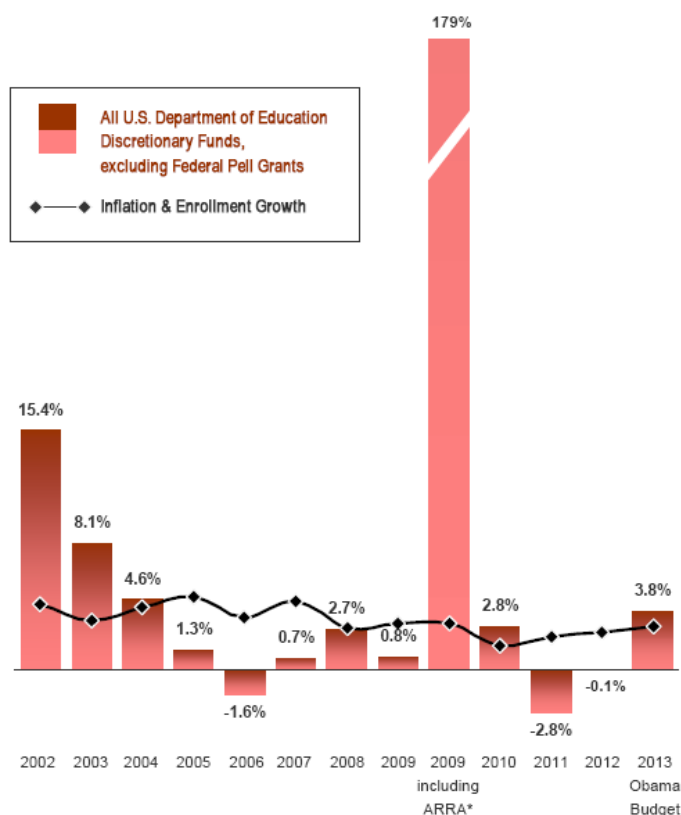
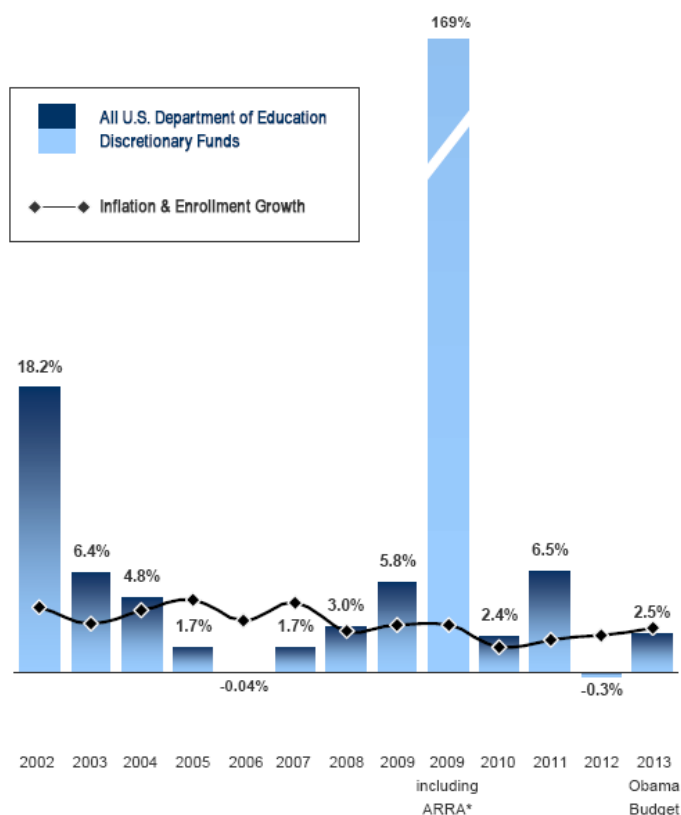


* American Recovery & Reinvestment Act of 2009. Source: U.S. Department of Education Budget Service. For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. As of February 13, 2012.



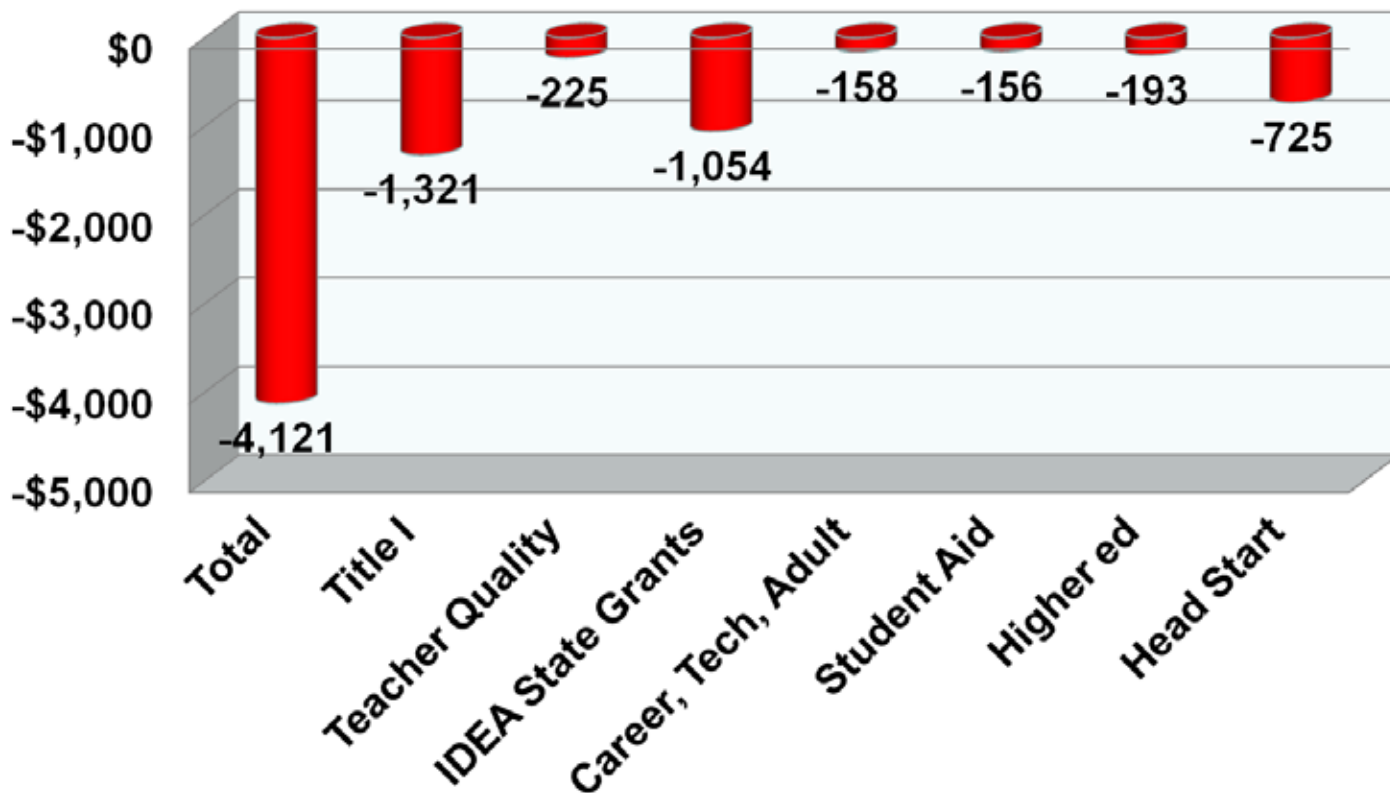
Federal Education Funding

Annual Percentage Change in Discretionary Funds, FY 2002-13



* American Recovery & Reinvestment Act of 2009. Sources: U.S. Department of Education Budget Service; and Hussar, W.J., and Bailey, T.M. (2011). Projections of Education Statistics to 2020 (NCES 2011-028). U.S. Department of Education, National Center for Education Statistics. Washington, DC: U.S. Government Printing Office. For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. As of February 13, 2012.

Impact of Sequestration (in millions)

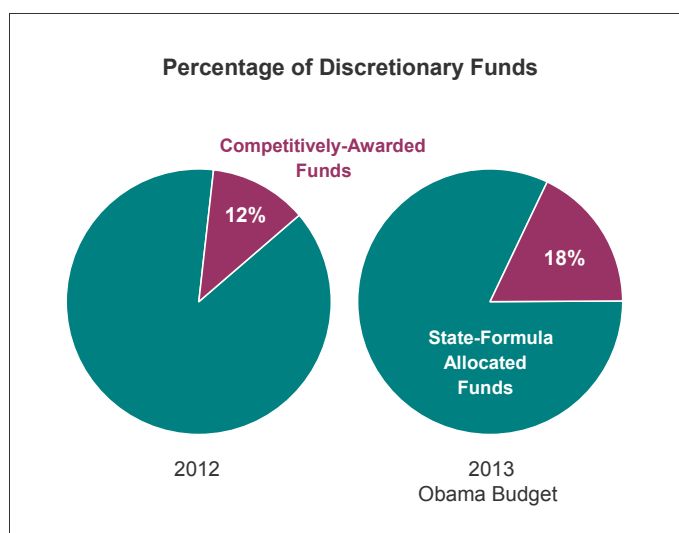
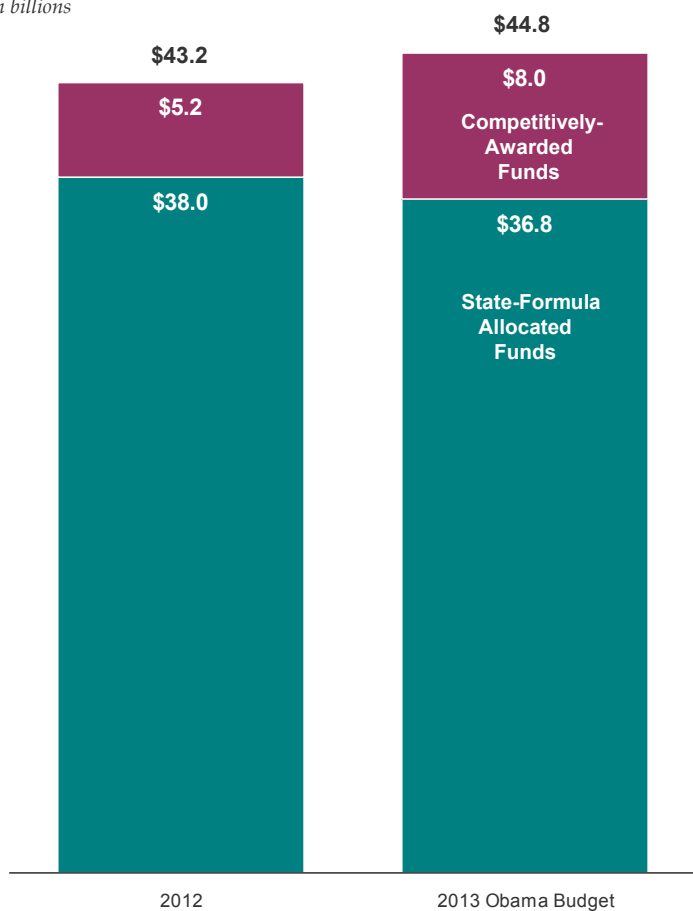




Federal Education Funding

Education Department Formula & Competitive Discretionary Funds*, FY 2013

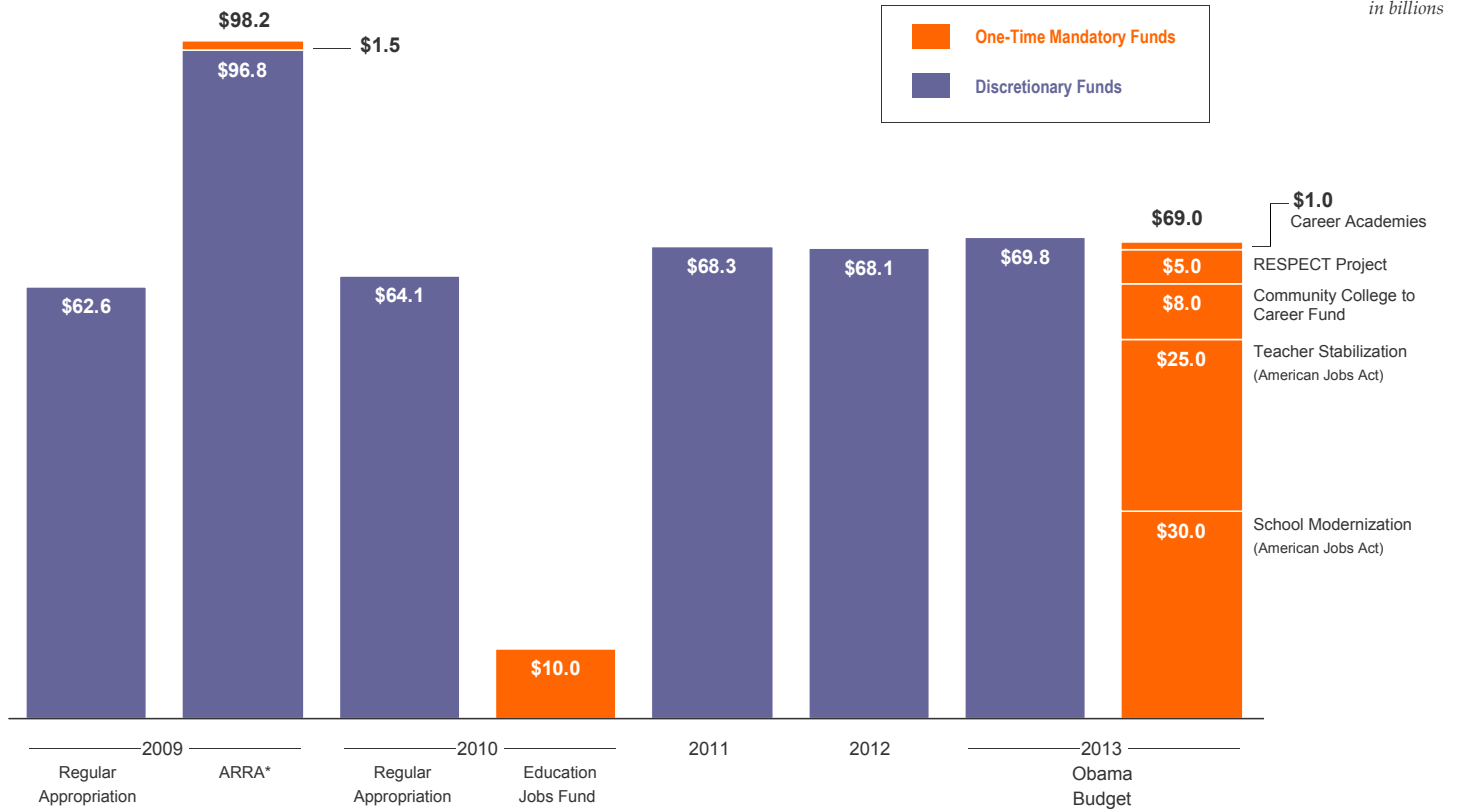
in billions



* Discretionary funds excluded: federal support for deaf and blind institutions; federal support for higher education facilities; departmental management; and Federal Pell Grants. Under the Federal Pell Grants program, payments are made to institutions based on student eligibility. Competitively-awarded funds include cooperative agreements, contracts, and other non-formula allocated funds. Source: U.S. Department of Education Budget Service. For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. As of February 13, 2012.

Federal Education Funding

Education Department Discretionary and One-Time Mandatory Funds, FY 2009-13

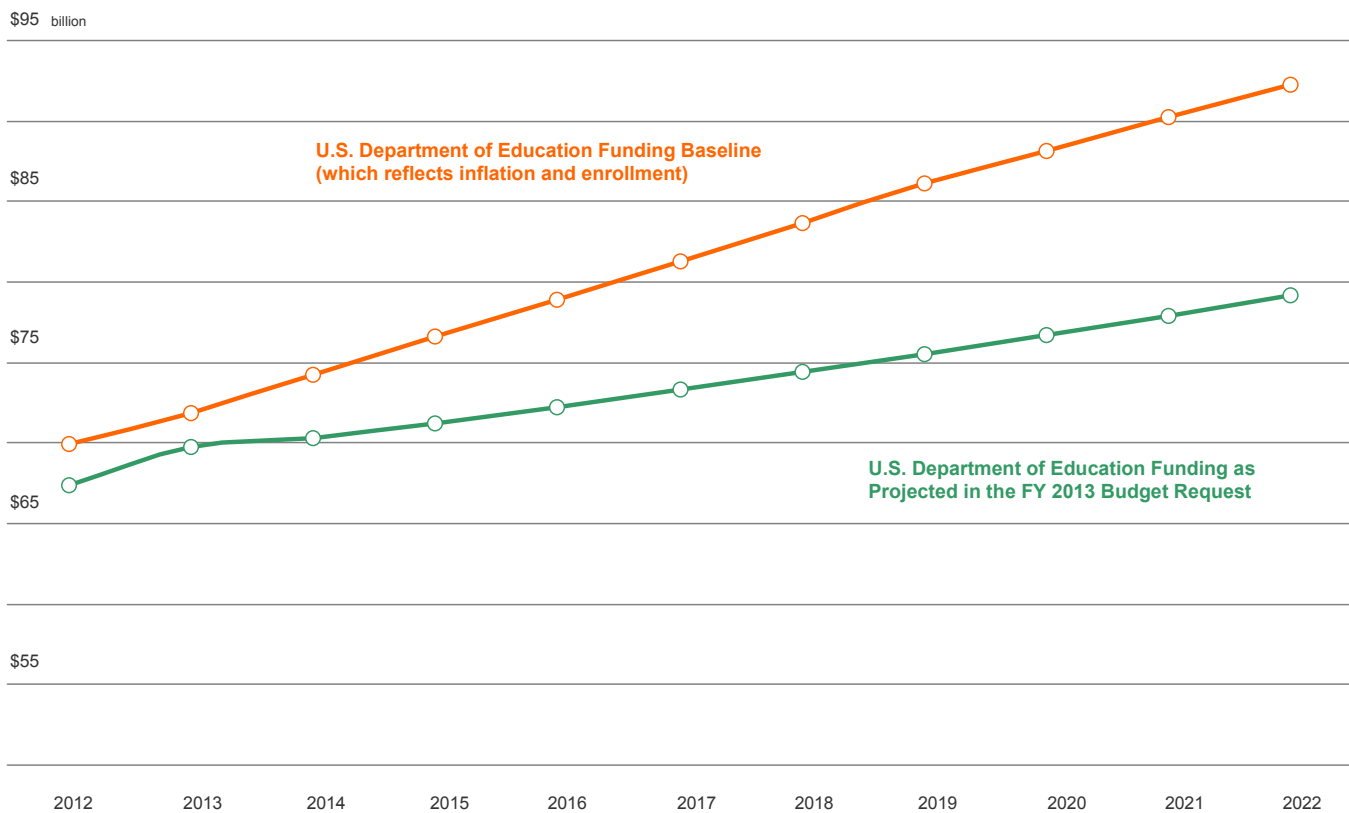


* American Recovery & Reinvestment Act of 2009. Source: U.S. Department of Education Budget Service. For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. As of February 13, 2012.



Federal Education Funding

Discretionary Funds, Fiscal Years 2012-2022



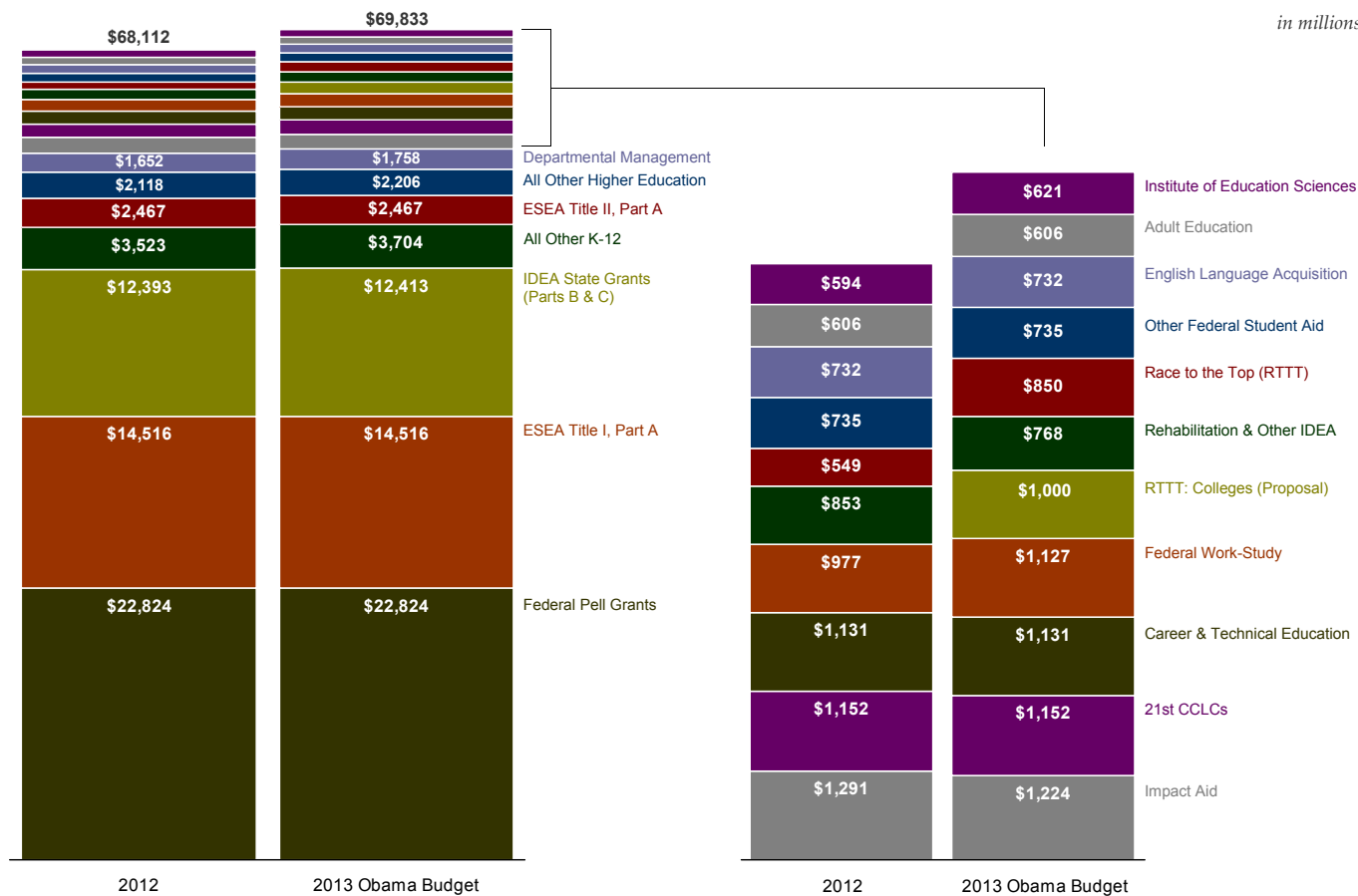
Sources: Budget of the United States Government, FY 2013, Office of Management and Budget; and Hussar, W.J., and Bailey, T.M. (2011). Projections of Education Statistics to 2020 (NCES 2011-026). U.S. Department of Education, National Center for Education Statistics. Washington, DC: U.S. Government Printing Office. For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. As of February 13, 2012.



Federal Education Funding

Education Department Discretionary Funds by Major Program Area, FY 2013

in millions



Source: U.S. Department of Education Budget Service. For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. As of February 13, 2012.

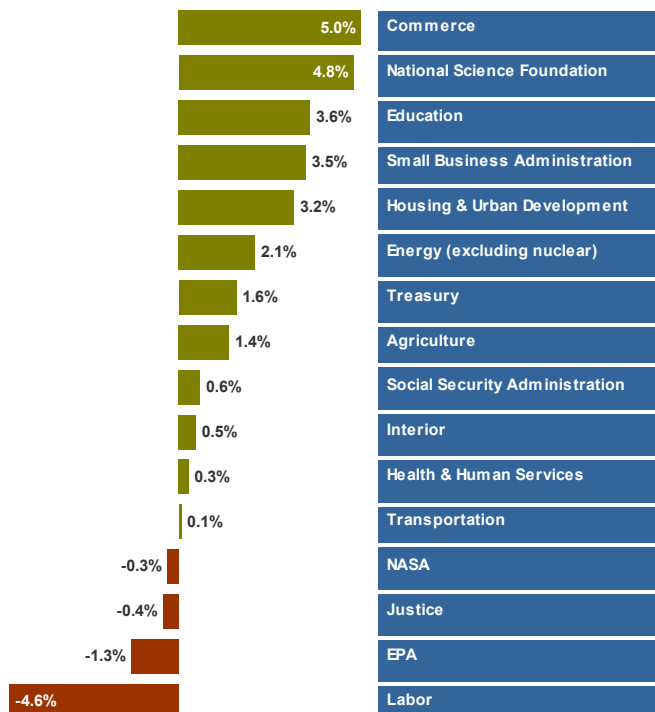




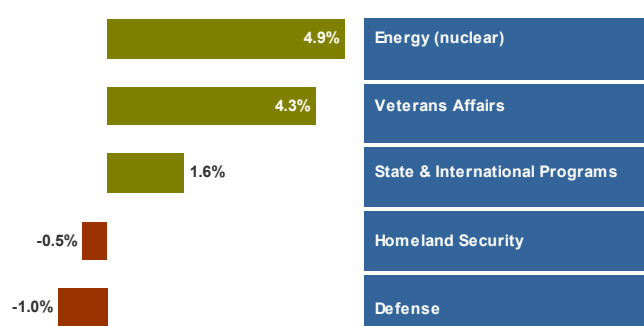
Federal Funding

Percentage Change in Discretionary Funds by Agency*, FY 2013

Nonsecurity Discretionary Budget Authority



Security Discretionary Budget Authority



* Includes major agencies only. Source: Budget of the United States Government, FY 2013, Office of Management and Budget. For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. As of February 13, 2012.



Part I: The Foundation for Success — Early Childhood, Elementary and Secondary Education

Elementary and Secondary Education Act Overview

In addition to the discretionary funding changes discussed below, the president's FY 2013 budget proposed one-time mandatory funding for several major K-12 programs:

- **School modernization** — \$30 billion in FY 2012: Funds would provide formula grants to States and school districts for the modernization, renovation, and repair of elementary and secondary school buildings. A portion (\$5 billion) of the funds would be provided to States to modernize community colleges, including tribal colleges.
- **Teacher stabilization** — \$25 billion in FY 2012: Funds would support formula grants to States to retain, rehire, and hire early childhood, elementary, and secondary educators, including teachers, school counselors, classroom assistants, after-school personnel, tutors, literacy and math coaches, and other education employees.
- **Strengthening the teaching profession** — \$5 billion in FY 2012 for RESPECT (Recognizing Educational Success, Professional Excellence and Collaborative Teaching), which would "...support States and districts that commit to pursuing bold reforms at every stage of the teaching profession....[F]unds would be awarded competitively to States with participating districts, and, in non-participating States, to consortia of districts."

The president's FY 2013 budget proposal includes an increase of \$414.9 million (+1.7 percent) for programs in the Elementary and Secondary Education Act (ESEA). As part of its ESEA reauthorization plan, the Administration proposes to consolidate 38 existing programs into nine new funding streams as shown in the table below.

PROGRAMS PROPOSED FOR CONSOLIDATION	FY 12 FUNDING	FY 13 FUNDING
Excellent Instructional Team		
<i>Effective Teacher and Leaders State Grants</i>		\$2.47 billion
Teacher Quality State Grants	\$2.47 billion	
Ready to Teach	\$0	
Teacher and Leader Innovation Fund		\$400 million
Teacher Incentive Fund	\$299 million	
Advanced Credentialing	\$0	
Teacher and Leader Pathways		\$75 million
Transition to Teaching	\$26 million	
Teacher Quality Enhancement	\$43 million	
Teachers for a Competitive Tomorrow	\$0	
Teach for America	\$0	
School Leadership	\$29 million	
Effective Teaching and Learning for a Complete Education		
<i>Effective Teaching and Learning: Literacy</i>		\$187 million
Striving Readers	\$160 million	
Even Start	\$0	
Literacy Through School Libraries	\$0	
National Writing Project	\$0	
Reading is Fundamental	\$0	
Ready-to-Learn Television	\$27 million	



PROGRAMS PROPOSED FOR CONSOLIDATION	FY 12 FUNDING	FY 13 FUNDING
<i>Effective Teaching and Learning: STEM</i>		\$150 million
Mathematics and Science Partnerships	\$150 million	
<i>Effective Teaching and Learning for a Well Rounded Education</i>		\$90 million
Excellence in Economic Education	\$0	
Teaching American History	\$0	
Arts in Education	\$25 million	
Foreign Language Assistance	\$0	
Academies for American History and Civics	\$0	
Close-Up Fellowships	\$0	
Civic Education	\$0	
Education Technology State Grants	\$0	
Expanding Educational Options		
<i>Expanding Educational Options</i>		\$255 million
Charter School Grants	\$232 million	
Credit Enhancement for Charter School Facilities	\$23 million	
Voluntary Public School Choice	\$0	
Parental Assistance Information Centers	\$0	
Smaller Learning Communities	\$0	
College Pathways and Accelerated Learning		
<i>College Pathways and Accelerated Learning</i>		\$81 million
High School Graduation Initiative	\$49 million	
Advanced Placement	\$27 million	
Javits Gifted and Talented	\$0	
Supporting Student Success		
<i>Successful, Safe and Healthy Students</i>		\$196 million
SDFS National Program Activities	\$65 million	
Elementary and Secondary School Counseling	\$52 million	
Physical Education	\$79 million	
Foundations for Learning	\$0	
Mental Health Integration in Schools	\$0	
Alcohol Abuse Reduction	\$0	

The president's budget includes funding for revised versions of both Race to the Top (\$850 million) and Investing in Innovation (i3, \$150 million). These programs were authorized in the American Recovery and Reinvestment Act (ARRA) and subsequently funded. The Administration proposes to incorporate these programs into ESEA, and the Senate ESEA reauthorization bill would codify both Race to the Top and i3 within ESEA. The chart below summarizes the proposed funding levels for the remaining ESEA programs, sorted by proposed increase, a freeze in funding, or decrease.



PROGRAM	CHANGE IN FUNDING LEVEL (millions)	CHANGE
Race to the Top	+301 (+54.8%)	Increase
IDEA Grants to Infants & Families	+20 (+4.5%)	Increase
Promise Neighborhoods	+40.1 (+67%)	Increase
Research, Development and Dissemination	+12.5 (+6.6%)	Increase
Statistics	+6 (+5.5%)	Increase
Statewide Data Systems	+15 (+39.4%)	Increase
Head Start (in HHS)	+85 (+1.1%)	Increase
Child Care and Development Block Grant (in HHS)	+325 (+14.3%)	Increase
Title I Evaluation	-3.2	Decrease
Impact Aid Payments for Federal Property	-66.9	Decrease
Title I Grants to States	0	Level
School Improvement Grants	0	Level
Migrant Education	0	Level
Neglected/Delinquent	0	Level
Homeless Education	0	Level
Rural Education	0	Level
Native Hawaiian and Alaska Native Education	0	Level
21st Century Community Learning Centers	0	Level
Indian Education	0	Level
Investing in Innovation	0	Level
Magnet Schools	0	Level
English Language Learner Acquisition Grants	0	Level
IDEA State Grants	0	Level
IDEA Preschool Grants	0	Level
Career and Technical Education	0	Level
Regional Education Labs	0	Level

This ESEA proposal raises some critical questions and concerns:

- Virtually all of the increases in ESEA are for competitive grants. States and school districts will face a new level of uncertainty in preparing their budgets, as they will not know in advance whether they will receive any funds, how much they will receive, or when.
- By the nature of competitive grants many States and districts will not receive funds, thus contributing to fiscal stress in States and districts that have significant unmet needs.
- Competitive grants might unfairly favor those States and districts with more capacity to write grant applications.
- Freezes in funding for the foundational Title I and IDEA programs will contribute to the difficult task faced by States and districts in attempting to close achievement gaps and improve overall student learning.
- States and districts face a significant funding cliff from the termination of ARRA and EduJobs funds. Continuing large budget gaps in most States exacerbates this funding cliff.



Title I

Elementary and Secondary Education Act

Budlong Avenue Elementary School is one of 633 Title I schools within the Los Angeles Unified School District. Of 996 students, 81 percent are Hispanic and 18 percent are African-American. The poverty index is 94 percent, and 48 percent of the students are limited English proficient. Although the school has a transiency rate of 25 percent, 42 percent of students are meeting and/or exceeding state academic standards in English language arts, 57 percent in mathematics, and 33 percent in science. In 2010-11, the school's Academic Performance Index (API) score increased 49 points to 747. Additionally, Budlong met the 21 adequate yearly progress (AYP) requirements and exited School Improvement status under No Child Left Behind.

Budlong's current Title I allocation is \$551,870. As a Title I schoolwide program, Budlong focuses these resources on both academic and support services designed to meet the needs of all students. The Title I program provides:

- *An intervention support coordinator and a teacher who provide tiered instruction using an intensive curriculum for at-risk students;*
- *After-school tutoring, Saturday intervention, and in-class intervention for students who are not proficient in English language arts and mathematics;*
- *Student support services from supplemental health services to counseling, and family and community services from a dedicated community liaison and parental involvement activities to parent workshops on helping students at home; and,*
- *Teacher planning and collaboration activities in data analysis, differentiated instruction, and best practices.*

Description

The Title I program, the cornerstone of the Elementary and Secondary Education Act (ESEA), provides funds mainly to school districts to help disadvantaged children achieve proficiency on challenging academic standards and to improve the performance of low-achieving schools. The No Child Left Behind amendments to ESEA (2002) emphasized greater accountability for the academic performance of the whole school and specific groups of students. Title I funding is allocated primarily by formula grants to states and, in turn, to school districts based on the number of low-income children and other categories of disadvantaged children residing in these jurisdictions. Two-thirds of children served by Title I are minority students. Children participating in Title I receive primarily reading, language arts, and mathematics instruction through school-wide approaches or targeted assistance strategies. Consistently low-performing schools are required to undertake specific improvement measures to increase academic proficiency. Current Administration policies require the identification of the "persistently lowest-achieving schools" in each State for governance, leadership, and staffing changes in addition to instructional interventions.

Title I also authorizes a variety of specialized subprograms, including Even Start, the Migratory Children and Neglected and Delinquent Children programs, School Dropout Prevention, the Comprehensive School Reform program, the Innovation and Evaluation programs, Reading First and Early Reading First, the Improving Literacy Through Libraries program, the Advanced Placement Program, and the School Improvement program.

Funding History (in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
Grants to School Districts			
Basic Grants*	\$ 6,579.15	\$ 6,577.90	\$ 6,577.90
Concentration Grants*	\$ 1,359.73	\$ 1,362.30	\$ 1,362.30
Targeted Grants*	\$ 3,252.03	\$ 3,288.13	\$ 3,288.13
Education Finance Incentive Grants*	\$ 3,252.03	\$ 3,288.13	\$ 3,288.13
Grants to School Districts Subtotal	\$14,442.93	\$14,516.46	\$14,516.46
Migrants	\$ 393.98	\$ 393.24	\$ 393.24
Neglected/Delinquent/At Risk	\$ 50.33	\$ 50.23	\$ 50.23
Evaluation	\$ 8.15	\$ 3.19	\$ 0
High School Graduation Initiative**	\$ 48.90	\$ 48.81	\$ 0
School Improvement (Turnaround) Grants	\$ 534.56	\$ 533.55	\$ 533.55
Totals	\$15,478.85	\$15,545.48	\$15,493.48

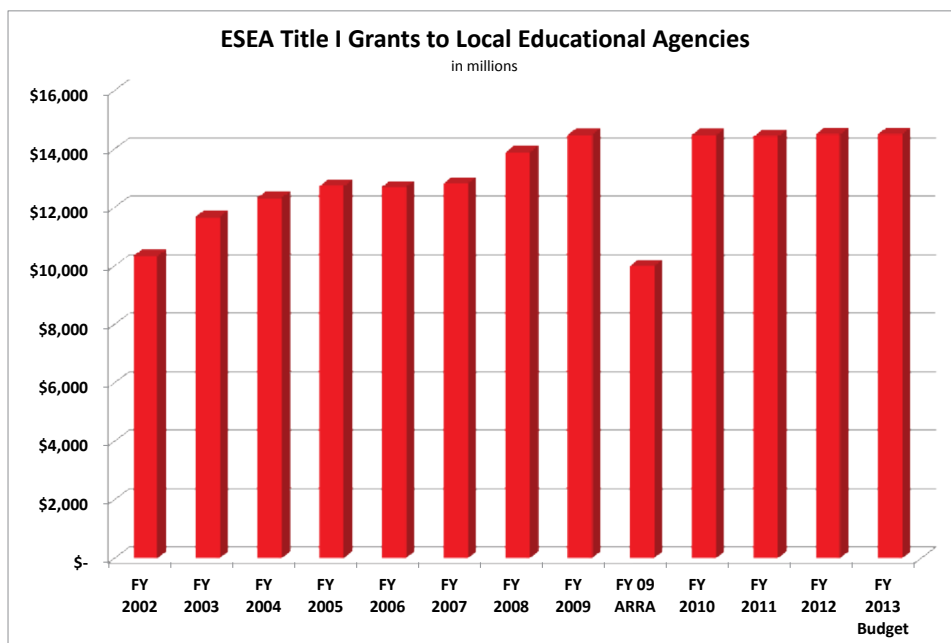
*Reflects program levels rather than budget authority, since a portion of the appropriation becomes available October 1.

** Proposed for consolidation under College Pathways grants.



Impact of President's Budget

Funding for the traditional ESEA Title I Grants to School Districts is frozen in the president's FY 2013 budget at \$14.5 billion. The base funding level for this core Title I program has remained virtually unchanged since FY 2009, absent the one-time infusion of Recovery Act (ARRA) funds. Under the proposed FY 2013 budget, no additional Title I LEA formula grants are requested despite the continuing impact of the economic recession on State and local revenue. The president's FY 2013 budget proposal includes a new 2 percent set-aside of the LEA grants for States to provide financial rewards to schools and to individual teachers, principals, and other school staff making exemplary progress in high-poverty schools. The proposed budget also lays the groundwork for the Administration's ESEA reauthorization proposal by including a separately-funded Title I Rewards program for future



years and replacing the current 4 percent State school improvement set-aside with a 5 percent State set-aside for State capacity building, early education, data utilization, and standards and assessment implementation. The Administration also is seeking ESEA authority for a new 1 percent parent/family engagement set-aside at the State level, in addition to proposing an increase from 1 percent to 2 percent for the current local parent/family engagement set-aside. At the local level, the Administration's reauthorization proposal would maintain the current 20 percent local set-aside requirement and repurpose the set-aside for school improvement activities and equitable deployment of effective teachers. The Title I Evaluation program, in earlier years appropriated at \$8 million, would be supported by up to a ½ percent national set-aside for the Department of Education. The proposed line item appropriation for the States' discretionary School Improvement (Turnaround) Grants would be maintained at \$534 million. Similarly, the Title I Migrant program and the Neglected and Delinquent program would be frozen at \$393 million and \$50 million respectively. Under the proposed FY 2013 funding freeze for the Title I LEA formula grants, school districts will not be able to maintain their current level of Title I services in School Year 2013-14. Moreover, if enacted through appropriations or authorization action, the proposed new national and State set-asides would proportionately decrease local Title I LEA grants even further.

Impact of Sequestration

Title I Grants to School Districts would be subject to the estimated 9.1 percent across-the-board cut or sequestration under the Budget Control Act of 2011. Assuming continued funding of the Title I LEA Grant program at \$14.5 billion, this would mean an automatic cut in January 2013 of \$1.3 billion from this critical academic program for disadvantaged students. Some 1.8 million of the current 20 million students now served by the program could have services terminated or reduced in School Year 2012-13. Some 5,000 schools could have Title I services substantially cut or completely eliminated. While more than 90 percent of the nation's school districts and over half the nation's schools participate in the Title I program, the impact of an automatic 9.1 percent cut will fall most heavily on the high poverty schools in each of these school districts. Unless a different interpretation of the potential sequestration procedure is adopted, these cuts to School Year 2012-13 Title I LEA grants would be required upon triggering the January 2013 sequestration since \$10.8 billion of the \$14.5 billion Title I FY 2012 appropriation is categorized as advanced appropriations and would not become available until October 1, 2013 (i.e., the beginning of FY 2013).

Program Need

The two-year infusion of Title I stimulus funding ran out at the beginning of this school year, creating a massive reduction in available Title I funds for program year 2011-12. At the same time, the annual requirements for improving Title I student performance continue to increase. Approximately 48 percent of the nation's public schools did not make Adequate Yearly Progress (AYP) under the increasing proficiency requirements of NCLB. Moreover, the economic recession continues to add students to the national poverty count with 10.8 million poor students now included in the Title I formula compared to 9.9 million in the preceding year. Based on the generally-accepted Title I full funding level of approximately \$45 billion for the 10.8 million school-age children in poverty, the unmet funding need is now over \$30 billion for the Title I LEA Grants.

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School Improvement Grants

Title I, Section 1003(g) of the Elementary and Secondary Education Act (NCLB)

School Improvement Grants have heightened the awareness that “priority schools” – schools in greatest need – have been starved for resources to adequately serve their students. As one example, Roberts/Early College High School in the Salem-Keizer (OR) School District, an alternative high school serving teen mothers, youth offenders, and students who have failed many courses, is seeing its graduation rate exceed the State’s success rate for the first time in a decade. School staff and administrators attribute this and other improvements, such as a 15 percent gain in reading scores, 20 percent gain in math, and the highest attendance rate in the district, to collaborating on exciting new strategies they always wanted to try but didn’t have the funding to implement. Through support of a SIG grant, national and State education organizations and the local Salem-Keizer education association also brought technical assistance to the school and district to support the creation of a new teacher evaluation plan, professional development on working successfully with low-income students and students of color, and a working environment of collaboration on tough issues like redefining the work day.

Description

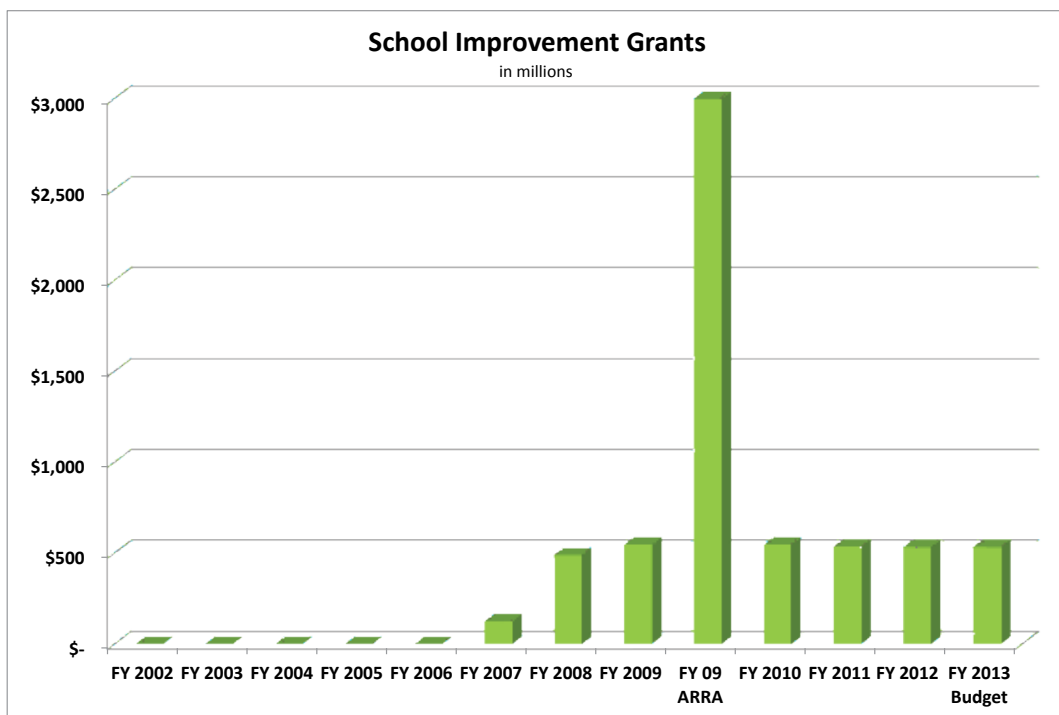
School Improvement Grants (SIG) provide funds for States and districts to address the needs of low-performing districts and schools identified for improvement under No Child Left Behind. The program prioritizes funding to the lowest performing schools demonstrating the greatest need for the funds and the strongest commitment to ensuring the money is used to meet NCLB’s goals.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President’s Request</u>
\$534.56	\$533.55	\$533.55

Impact of President’s Budget

The president recommends a freeze in the School Improvement Grants program in the FY 2013 budget request, which would just maintain the commitment to providing schools in greatest need with dedicated resources to improve achievement. The program is renamed as School Turnaround Grants to align with the Administration’s Elementary and Secondary Education Act (ESEA) reauthorization proposal. These formula-driven grants would continue to be targeted to schools with the greatest need while providing States the option to retain funds to build state-level capacity to assist struggling schools through State reform efforts.



Impact of Sequestration

The 9.1 percent cut that would be applied to the School Improvement Grants program due to sequestration would result in a loss of \$48.6 million. This loss of funding would affect more than 54,000 students and would cause the loss of 680 jobs.



Program Need

Congress must continue this dedicated investment in the nation's lowest performing schools. School Improvement Grant funds serve an increasing number of schools and districts needing help to raise student achievement and close achievement gaps based on their unique needs. Funds provided for SIG will continue to increase the capacity of school improvement efforts to ensure a quality education for all students.

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Even Start

In rural Michigan, the Keweenaw Bay Indian Community (KBIC) Even Start program serves families with a parent who lacks a high school diploma. Inspired by Even Start programming, the Tribal Council constructed a tribally-owned Early Childhood and Family Education Center, the first of its kind in the KBIC Community. Even Start families are now able to regularly share, participate in interactive literacy activities with their children, and work toward GED attainment in a culturally sensitive and comfortable environment.

Description

The purpose of the Even Start Family Literacy program is to help break the cycle of poverty by improving the educational opportunities for low-income families. Even Start is designed to improve academic achievement of young children and their parents by focusing on early childhood, adult, and family literacy.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$0	\$0	\$0*

**Even Start is not included in the president's FY 2013 budget proposal.*

Impact of President's Budget

While Congress has eliminated funding for various programs during the previous two appropriations cycles, Even Start program authorization remains intact. The president's FY 2012 budget included the Even Start program under the proposed "Effective Teaching and Learning: Literacy" consolidated grant. The proposed consolidated program appears in the FY 2013 proposal as well. However, Even Start is no longer listed as an included program. Ninety-one percent of Even Start families live at or below the federal poverty level. State-level Even Start outcomes report that participants, including English language learners, are outperforming non-participants in State reading assessments. Retaining Even Start, with its unique focus on increasing literacy levels among both the nation's youngest children and their parents, would assist families with greatest need to improve parental involvement in learning and ensure children enter school ready to learn.

Program Need

Providing funding at the FY 2005 level of \$225.09 million would restore services to approximately 20,000 children and families and is the minimum level at which high-quality and effective services will be sustained at scale.

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Striving Readers Comprehensive Literacy Program

Title I, Part E, Elementary and Secondary Education Act

States with Striving Readers Comprehensive Literacy Grants are implementing activities unique to each State's needs. For example, Louisiana is expanding instruction by using more challenging text to work with its middle and high school students. Montana is focused on reaching one of its highest need groups, Native Americans, with instruction that is demanding and successful.

Description

The Striving Readers Comprehensive Literacy Program received \$159.7 million in FY 2012. This was a decrease of approximately \$40 million from its first year's appropriation of \$199 million. Of the initial appropriation, \$10 million funded formula grants to States to support State Literacy Teams; one-half of 1 percent for the Bureau of Indian Education; one-half of 1 percent for outlying areas; and up to 5 percent for national activities conducted by the Secretary of Education. Remaining funds were distributed through a competitive grant program to State education agencies, which in turn awarded at least 95 percent of the funds to local school districts with priority to entities serving the greatest number/percentage of disadvantaged students. Six States received competitive awards in 2011.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$0	\$159.70	\$0*

* The funding for this program would be consolidated into "Effective Teaching and Learning: Literacy."

Impact of President's Budget

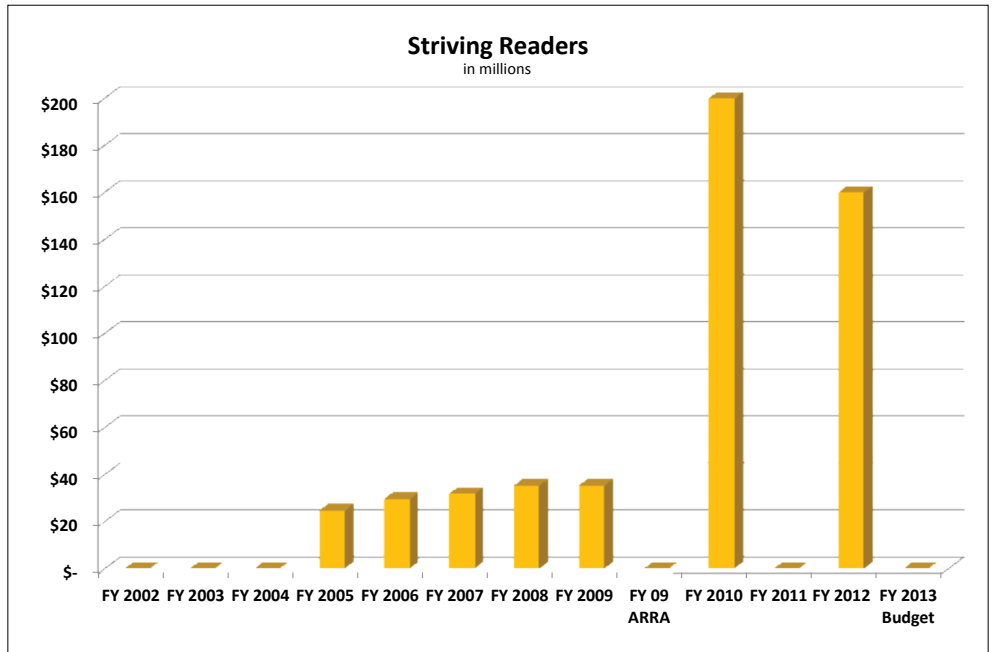
The Administration's proposed new \$187 million "Effective Teaching and Learning: Literacy" program would provide competitive State literacy grants to State departments of education alone or in partnership with outside entities, supporting comprehensive State and local efforts to improve literacy instruction.

Impact of Sequestration

A 9 percent cut in funding would mean significantly fewer school districts with the funds for professional development focused on improving literacy instruction. One teacher reaches between 24 and 150 students, depending on the grade level. Therefore, a cut of 9 percent would mean fewer schools have the resources to provide professional development on effective literacy instruction. According to the United Way, the annual cost of illiteracy to businesses and taxpayers is \$20 million.

Program Need

In order to develop a statewide plan meeting the literacy needs of America's struggling readers and to expand effective literacy instruction comprehensively from birth to Grade 12, the Striving Readers Comprehensive Literacy Program should be funded at \$500 million. These funds would cover national activities conducted by the U.S. Department of Education, State leadership activities, and early childhood, K-Grade 5, and Grades 6-12 literacy grant programs to local school districts with the highest percentage of low-performing literacy students.



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Improving Literacy through School Libraries

Title I, Part B, Subpart 4, Section 1251, Elementary and Secondary Education Act

Many school libraries across the United States have a hard time keeping books and materials up-to-date when local school districts are faced with deep budget cuts. The average copyright date of materials in a school library in a North Dakota high school is 1965, with books found on the shelves dating back as far as the 1930s. This North Dakota high school is not an exception. Many schools in many States face this problem. How can students be prepared for the 21st century if they are reading books that still refer to East and West Germany or imply that space travel is “science fiction?”

Description

The Improving Literacy Through School Libraries program works to improve student literacy skills and academic achievement by providing low-income schools with up-to-date library materials, including current technology for advanced school libraries. The program also works to ensure school libraries are staffed by state-certified school librarians.

Funding History (in millions)

FY 2011	FY 2012	FY 2013 President’s Request
\$0	\$0	\$0*

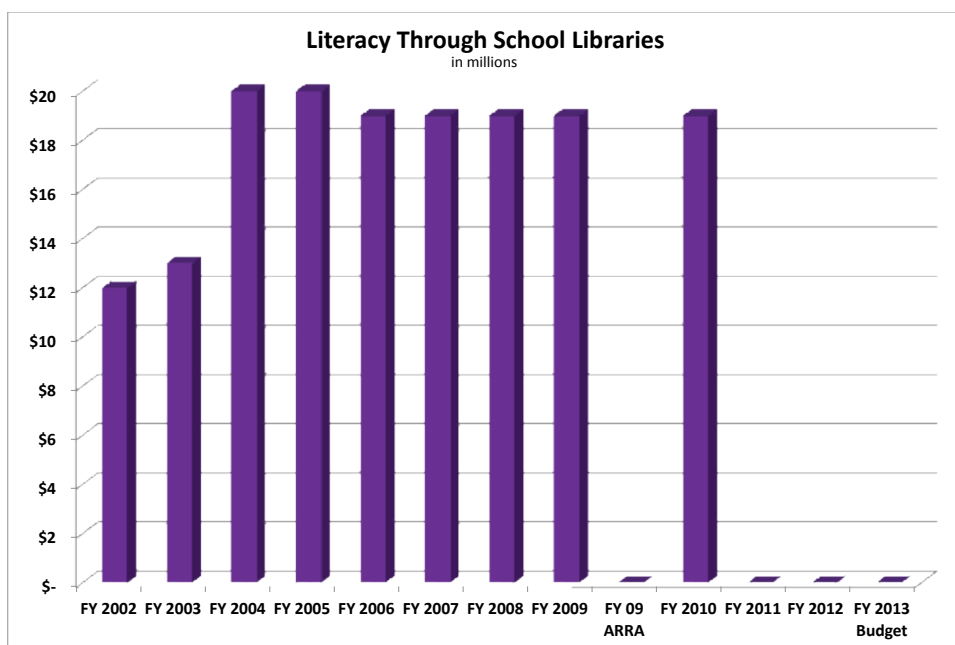
*Funding for this program would be consolidated into the proposed “Effective Teaching and Learning: Literacy” program.

Impact of the President’s Budget

Without dedicated funding for Improving Literacy Through School Libraries, the most severely distressed school districts may not have the funds to upgrade substandard school libraries that impede improved student achievement. Highly effective school libraries provide the impetus for education professionals to collaborate on curriculum, materials, and instructional strategies, leading to better and more effective ways to teach students. The elimination of these funds would mean this critical collaboration would be lost in many of our country’s poorest schools.

Program Need

By cutting or consolidating this program, essentially eliminating dedicated funding, school libraries in underprivileged areas will be hurt. In fact, a statutory trigger for the program at the \$100 million appropriation level would change the funding distribution from a competitive to a formula grant, ensuring vital program benefits would be available to all States.



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High School Graduation Initiative

Title I, Part H, Elementary and Secondary Education Act

The Arizona Department of Education (ADE) received a School Dropout Prevention award in FY 2006. Funding allowed the ADE to collaborate with reservation-based public schools to create a culturally competent dropout prevention program. Key strategies included the following: (a) Native American community involvement in program development; (b) establishment of a Native American Dropout Prevention Workgroup; (c) Native American youth leadership development with a Popular Opinion Leader model; (d) establishment of teams to encourage school attendance; (e) intensive tutoring to increase AIMS test scores; (f) mentoring of re-entered students by Tribal employees; (g) culturally competent training for teachers in engaging Native American youth; (h) social marketing promoting education through tribal media and tribal sporting events; and, (i) behavioral health, substance abuse prevention, teen parent support groups, and other supports for staying in school.

Description

The High School Graduation Initiative was funded first in FY 2010 at \$50 million. The High School Graduation Initiative replaced the School Dropout Prevention Program which last received funding in FY 2006. Awards are given to local school districts to reduce the number of students dropping out before completing secondary school and using proven strategies to assist youth who have dropped out to reenter school. Activities include early identification of students at risk of dropping out of school, programs to encourage youth to reenter school, interventions to increase school completion, and transition services for students moving from middle school to high school.

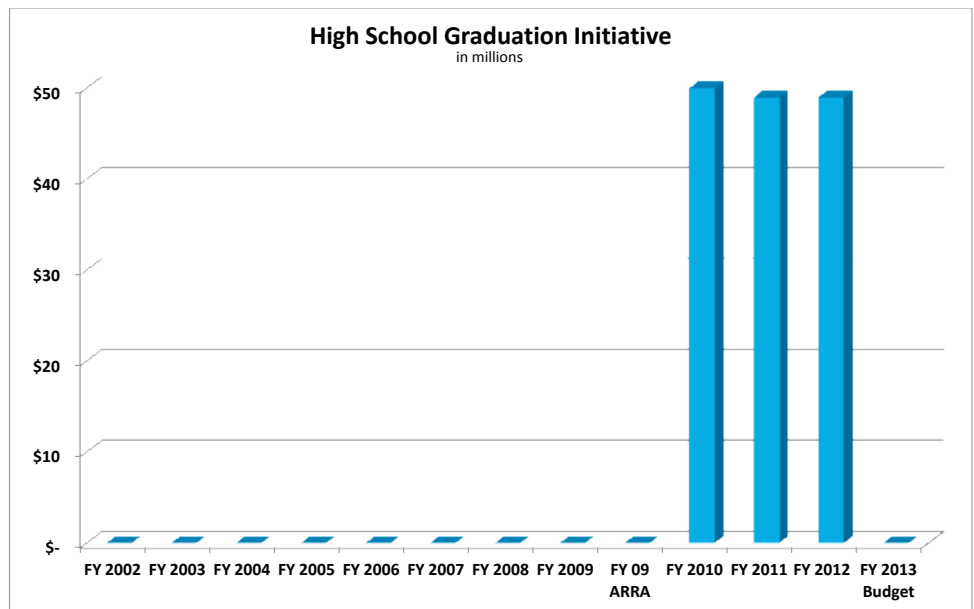
Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>Impact of President's FY 2013 Budget</u>
\$48.90	\$48.81	\$0*

*Funding for this program would be consolidated into the proposed "College Pathways and Accelerated Learning" program.

Impact of President's Budget

The Administration proposes to consolidate this program into a funding stream titled "College Pathways and Accelerated Learning" which also includes the Advanced Placement program. While the president proposes an increase in funding from the combined \$75.8 million these programs received in FY 2012 to \$81.3 million for FY 2013, this consolidation puts at jeopardy a dedicated funding stream for out-of-school youth or students who are not on track to graduate. Because the purposes of these two programs proposed for consolidation are so different – Advanced Placement to support college-level and other accelerated courses and the High School Graduation Initiative to support struggling students or out-of-school youth – this consolidation effectively would pit these programs against each other in competition for these funds. The FY 2013 budget should maintain a dedicated funding stream exclusively for the High School Graduation Initiative in order to ensure States and districts are supporting those students at-risk of dropping out or who have already dropped out to help them stay in school and to thrive academically.



Note: The president's FY 2013 budget proposes to consolidate the High School Graduation Initiative into a new College Pathways and Accelerated Learning program funded at \$81.3 million.



Impact of Sequestration

If sequestration were to occur, funding for the High School Graduation Initiative would be reduced by 9.1 percent, or \$4.45 million. This program focuses on the pressing need of preventing student dropout. A severe cut in funding will further exacerbate our nation's dropout crisis by diminishing the adequate resources middle and high schools need to realize the goal of a 100 percent national graduation rate.

Program Need

The High School Graduation Initiative is the only federal program specifically targeted toward reducing the nation's dropout rate. According to research by Editorial Projects in Education, nationwide only 72 percent of all students graduate from high school. The numbers are even more grim when considering ethnic disparities. Approximately half of Hispanic, African American, and Native American youth do not complete high school.

Contact Information

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Impact Aid

Title VIII, Elementary and Secondary Education Act

Painted Desert Demonstration Projects, AZ (Basic Support): In our remote rural area, Impact Aid is essential to support our entire transportation department. Without Impact Aid we would not be able to run our buses and without the bus runs, we would have to close down the school.

Silver Valley Unified School District, CA (Basic Support): Impact Aid is our life blood, the primary support for our excellent program providing students the education they deserve. Without it we would have to reduce staff and services by 40 percent. Impact Aid pays the "taxes" for property and individuals mandated to attend our schools by the federal government. These "taxes" allow Silver Valley to provide the level of educational experience demanded by military families to maintain appropriate opportunities as children learn and grow. Unless the "taxes" are paid by the property owner (federal government), there is no local revenue to pay for the educational services.

LeMont Township High School District 210, IL (Federal Property): Impact Aid is critical to this district's finances. Funds are used for teachers, textbooks, and technology. Lost property taxes not paid by the federal government end up as the local taxpayers' bill. These lost taxes are a result of the federal government meeting its need for property. It has an obligation to pay its fair share.

Description

Impact Aid is a federal reimbursement to school districts in lieu of tax revenues for the services districts provide to children residing on Indian lands and in federal low-income housing and whose parents are in the military or are civilians working on federal property. Impact Aid funding is also provided to districts that have lost large parcels of taxable property to federal acquisition. Funds from this program may be used for any general fund purpose and are used for the benefit of all students in the district. Nationwide, Impact Aid provides funds to over 1,400 school districts that enroll more than 12 million students.

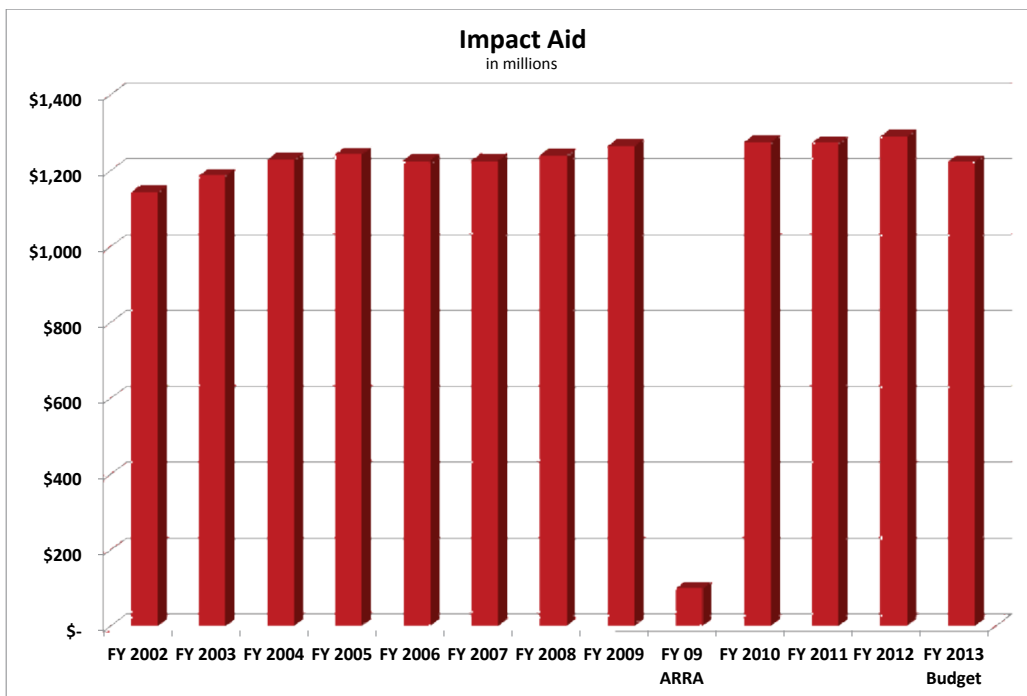
Funding History (in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>President's FY 2013 Request</u>
Federal Property	\$ 67.04	\$ 66.95	\$ 0
Basic Support	\$ 1,135.72	\$ 1,153.54	\$ 1,153.54
Disability Payments	\$ 48.51	\$ 48.41	\$ 48.41
Construction	\$ 17.47	\$ 17.44	\$ 17.44
Facilities	\$ 4.85	\$ 4.85	\$ 4.85
Total	\$1,273.63	\$1,291.19	\$1,224.24



Impact of President’s Budget

The president’s budget would, if implemented, de-fund payments to Federal Properties districts, impacting over 200 school districts in 29 states. This proposal represents a withdrawal from a 62-year commitment and partnership of the federal government and these school districts. The budget also represents the third consecutive year of a freeze in funding for the Basic Support Program. Due to the increase in average education costs nationwide, payments would continue to drop for all districts, even those districts with large enrollments of military and Indian land eligible students. Local taxpayers would be required to subsidize an increasing percentage of the tax bill that should be paid by the federal government. School districts will be faced with two options: (1) increase the tax rate on personal property or (2) cut programs.



Impact of Sequestration

The cut to the Basic Support Program would be significant. While the consequences would vary by district, highly impacted schools would likely be forced to lay off staff or eliminate programs. The Learning Opportunity Threshold (LOT) payout could drop below 80 percent if a 9.1 percent cut were to take effect in FY 2013. Sequestration would also impact Federal Property districts. The number of eligible districts continues to rise without adequate appropriations, and the program to date is funded at only 3 to 4 percent. The consequence of a 9.1 percent reduction would be even fewer dollars for eligible school districts.

Program Need

Federally connected districts face the same funding challenges as any other school district in the country. However, for many federally connected school districts, their challenges can be unique. There is an expectation that our military servicemen and women are provided the best equipment that money can buy. Why should not the same expectation apply to their children? There is an expectation based on treaties between the U.S. Government and recognized Indian Tribes that their children are ensured an education comparable to that of non-Indian children. There is also an expectation that the federal government provide districts an annual amount representing a fair payment for the loss of a district’s taxable property due to the federal acquisition. In all three examples above, the challenges these districts face may be unique due to the differences in their student populations. However, they are the same in the respect that, although faced with limited local resources, they must still provide a quality education.

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Improving Teacher Quality

Title II, Elementary and Secondary Education Act

Description

The Teacher Quality grant program focuses on improving student academic achievement by bolstering teacher and principal skill development and expertise and increasing the number of highly qualified teachers and principals in schools.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$2,464.88	\$2,466.57	\$2,466.57

Impact of President's Budget

The president's budget maintains funding for this crucial program. The budget also proposes a 25 percent set-aside to support certain activities determined by the Department of Education, \$80 million of which would be used for teacher preparation in the STEM fields.

Impact of Sequestration

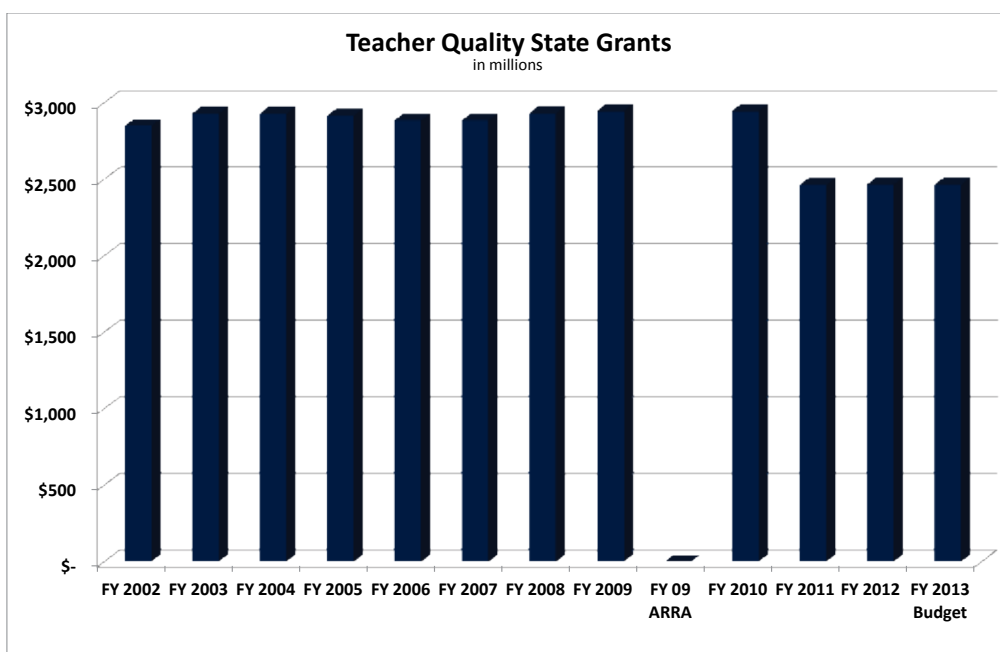
This essential program will experience a cut of \$224.46 million under sequestration, which will lead to a dramatic reduction in professional development opportunities and class size reduction efforts.

Program Need

The amount of funding for teacher quality directly impacts the level of professional development available to educators. States also use these funds to reduce class size; however, without additional funding, those efforts will be seriously impeded. The important role played by teachers in enabling student success is well documented, and the Administration has placed increased emphasis on the preparation and performance of teachers. Without a significant funding increase dedicated to this program's purposes, educators will not have the tools to properly meet the Administration's goals.

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The president's budget proposes to restructure and rename this program as Effective Teachers and Leaders State Grants.



Supporting Effective Educator Development Grants

Title II, Part A, Elementary and Secondary Education Act

Description

The Supporting Effective Educator Development (SEED) grant program provides competitive grants to national non-profit organizations for projects that recruit, select, and prepare or provide professional enhancement activities for teachers or for teachers and school leaders.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>President's FY 2013 Request</u>
\$24.65	\$36.99	*

**The Department of Education Budget Justification continues the SEED program with four other programs through reserved funding of up to 25 percent of the Effective Teachers and Leaders State Grant program. However, the proposed budget does not specify the exact amount for each individual program.*

Impact of President's Budget

The president's FY 2013 budget proposes that SEED be supported with four other programs through reserved funding of up to 25 percent of the \$2.46 billion Effective Teachers and Leaders State Grant program (the renamed ESEA Title II-A formula grants to States and districts). This program is focused on recruiting, training, and supporting effective teachers and school leaders, including effective science, technology, engineering, and mathematics teachers. Funds would also be used to invest in efforts to enhance the teaching and leadership professions.

Impact of Sequestration

According to the Congressional Budget Office, sequestration would decrease total Title II-A funding by \$192.4 million, potentially cutting the FY 2012 SEED level to \$34 million in FY 2013. According to the Center on Budget and Policy Priorities, sequestration would decrease Title II-A funding by \$224.5 million, potentially cutting the FY 2012 SEED level to \$33.5 million in FY 2013.

Program Need

Increasing funding for SEED will help national not-for-profit teacher and principal preparation and professional development programs with proven track records of success effectively serve the communities, teachers and students most in need. The SEED program is critical to ensuring a federal merit-based avenue continues to be available for national non-profits that do the incredibly difficult and important work of equipping teachers with the necessary skills to succeed in our nation's schools. In FY 2012 increased funding for SEED was supported by letters from a bipartisan group of more than 25 senators and 55 representatives as well as the "Chiefs for Change," a coalition of state school chiefs and leaders nationally recognized for their efforts on education reform.

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Mathematics and Science Partnerships

Title II, Elementary and Secondary Education Act

The Creating High Achievement in Mathematics and Problem Solving (CHAMPS) program provided teachers in 17 low income school districts in Mississippi with intensive summer institutes designed to help them raise student achievement levels in math. Master mathematics teachers presented the curriculum, and the institute experience was supplemented with four Super Saturday mini-conferences for participating teachers. The results demonstrated the effectiveness of improving teacher content knowledge in math, showing improvement in student test scores as a result of teacher participation in this program.

Description

The Mathematics and Science Partnerships program is designed to improve academic achievement in mathematics and science through the enhancement of teaching skills at the elementary and secondary levels. Funds are distributed by formula to State education agencies. State education agencies in turn offer competitive grants to partnerships comprised of local school districts in greatest need, higher education institutions or relevant departments within those institutions, and other eligible entities. Partnership grants focus on improving curriculum rigor in math and science, improving teacher competence through high quality professional development, and developing distance learning programs.

Funding History (in millions)

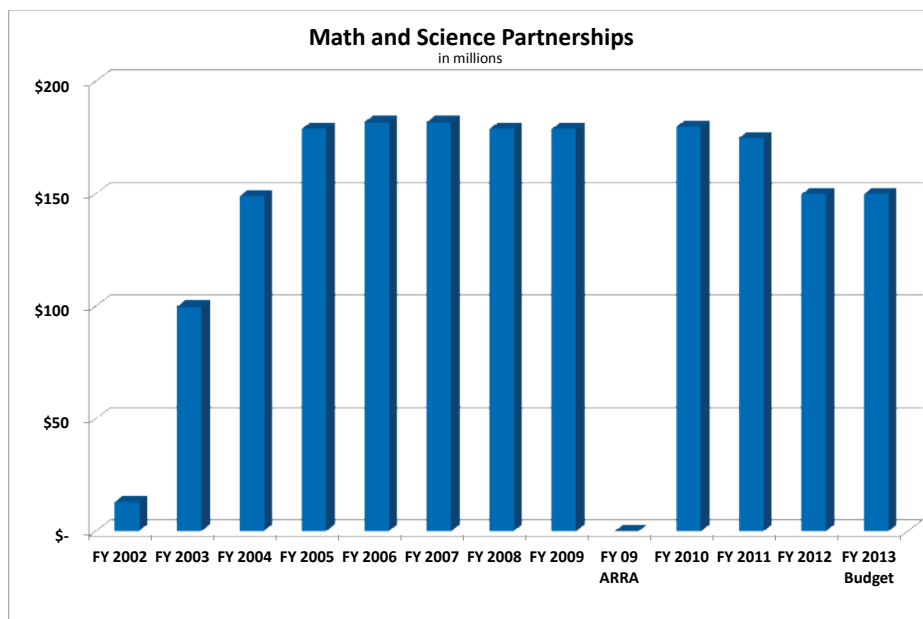
<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$175.13	\$149.72	0*

*Funding for this program would be consolidated into the proposed "Effective Teaching and Learning: STEM" program.

Impact of President's Budget

The president's budget does not request individual funding for the Math and Science Partnership program but instead proposes \$149.72 million for a new block grant titled "Effective Teaching and Learning: STEM." State departments of education alone or in partnership with other entities such as non-profits and higher education institutions would compete for grants targeted to high-need schools to support college and career ready standards in at least mathematics. States could reserve up to 20 percent of funds for State-level activities to support development of high quality, evidence-based STEM instruction. Remaining funds would be distributed to high-need school districts and eligible partnerships to improve STEM instruction through the development of online curricula and technology-based approaches. The intense focus on keeping America competitive in the global marketplace continues to dominate the education debate in Congress and has heightened public awareness about shortages in STEM fields. This new consolidated grant is designed to address these concerns.

While additional resources for STEM are critically important, elimination of a formula under which funds are available to all States is a concern to cash strapped school districts. Current partnerships provide important professional development and curriculum reforms to help schools improve the quality of STEM education. Historically, block granting of federal funds has led to diminished congressional support because it is difficult to assess the impact of the wide variety of programs in the grant, adding to uncertainty about this new proposal.



The president's budget proposes to restructure and rename this program as Effective Teaching and Learning: STEM.



Impact of Sequestration

A 9.1 percent cut to this program based on the FY 2012 funded level would mean a decrease of \$13.6 million and would result in the loss of approximately 190 positions nationwide.

Program Need

Though recent NAEP scores show improvement in math and science achievement, those gains are small, and overall performance of students in grades 4, 8 and 12 is of great concern. The Math and Science Partnership program provides vital resources to States to fund partnerships that offer teachers the professional development opportunities they need to improve student achievement in these critical disciplines.

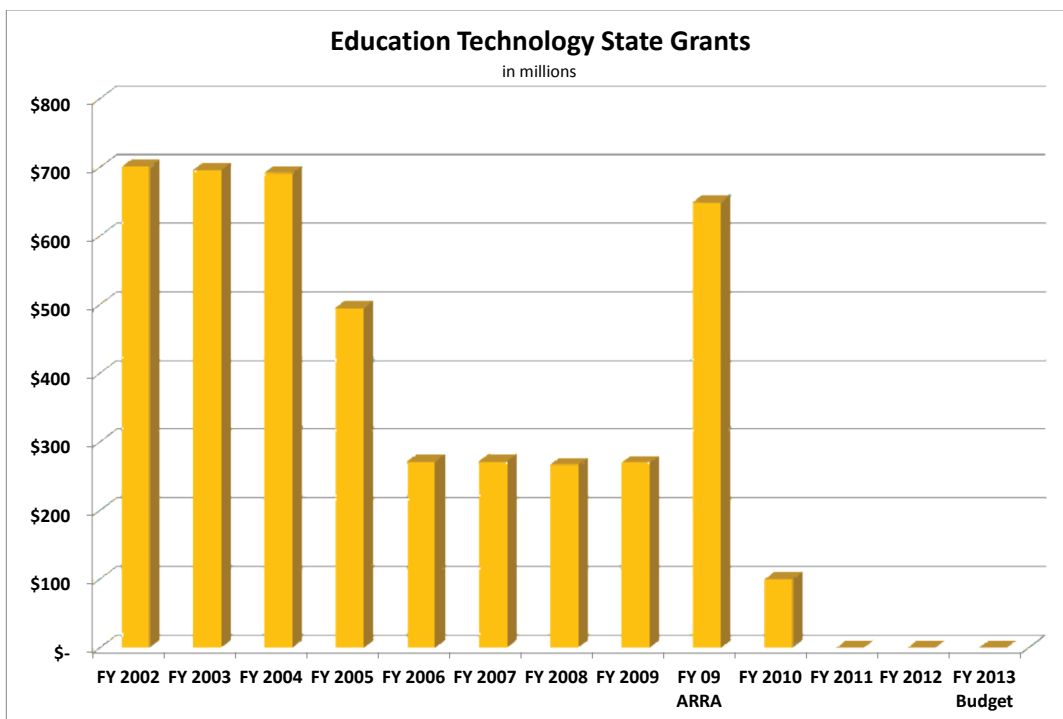
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Enhancing Education through Technology

Title II, Part D, Elementary and Secondary Education Act

“The engagement I have seen in my fifth and sixth graders is inspiring,” said a Rochester City (NY) teacher. “I haven’t seen that pride in the paper/pencil assignments for some years now.” The Rochester City School District used EETT funds to scale up an innovative ‘model classroom’ program that expands access to technology, while providing intensive professional development to teachers. English language arts scores have improved on State tests, with the greatest gains realized by disadvantaged, Black and Hispanic students, and females.



Description

Congress included Enhancing Education Through Technology (EETT) as a core provision of ESEA to ensure equitable access to technology, 21st century technology literacy skills, and coordinated investments in teacher professional development necessary to realize improved student achievement. The program distributes money through block grants to States, with an emphasis on serving local districts with demonstrated need for assistance.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$0	\$0	\$0

Impact of President's Budget

The president's FY 2013 budget proposal if enacted would represent the third year with no funding for the program. As digital learning initiatives are on the rise in States and schools are being challenged by the Administration to shift from print textbooks and fill-in-the-bubble tests to more efficient and effective eTextbooks and computer-delivered tests, the need for the program is greater than ever. The Achievement Through Technology and Innovation (ATTAIN) Act has been introduced in both chambers to update the EETT program when Congress takes up the ESEA reauthorization.

Program Need

In order to meet the pressing needs brought about by the implementation of new college- and career-ready standards and assessments, for FY 2013 this program must receive an appropriation of at least \$500 million. Such an investment is necessary to create a competitive workforce, technology-proficient educators, well-equipped classrooms, sufficiently supported administrative structures, and a curriculum optimized to take advantage of what technology offers.

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21st Century Community Learning Centers

Title IV, Part B, Elementary and Secondary Education Act

"Last year our center was involved in a project called the Downtown Afterschool Academy, one of several nonprofits that partnered with the school district to provide students with a collaborative model of homework assistance plus unique learning experiences. Girls, Inc. provided programming in math/science, Mattatuck Museum provided arts, and the YMCA provided athletics. Funding from 21st Century Community Learning Centers enables us to provide students in high-poverty areas a unique environment that fosters learning and development outside the traditional school day." ~Girls, Inc. of Southwestern CT

Description

The 21st Century Community Learning Centers (21st CCLC) program provides grants to local communities for after school programs that serve students attending high-poverty, low-performing schools. Programs can serve children before school and in the summer months. Services include academic enrichment activities to help students meet State and local achievement standards. Afterschool programs also provide a broad array of additional services designed to reinforce and complement the regular academic program, such as hands on STEM education activities, fitness and nutrition education, counseling programs, art, music, and recreation programs, and technology education programs.

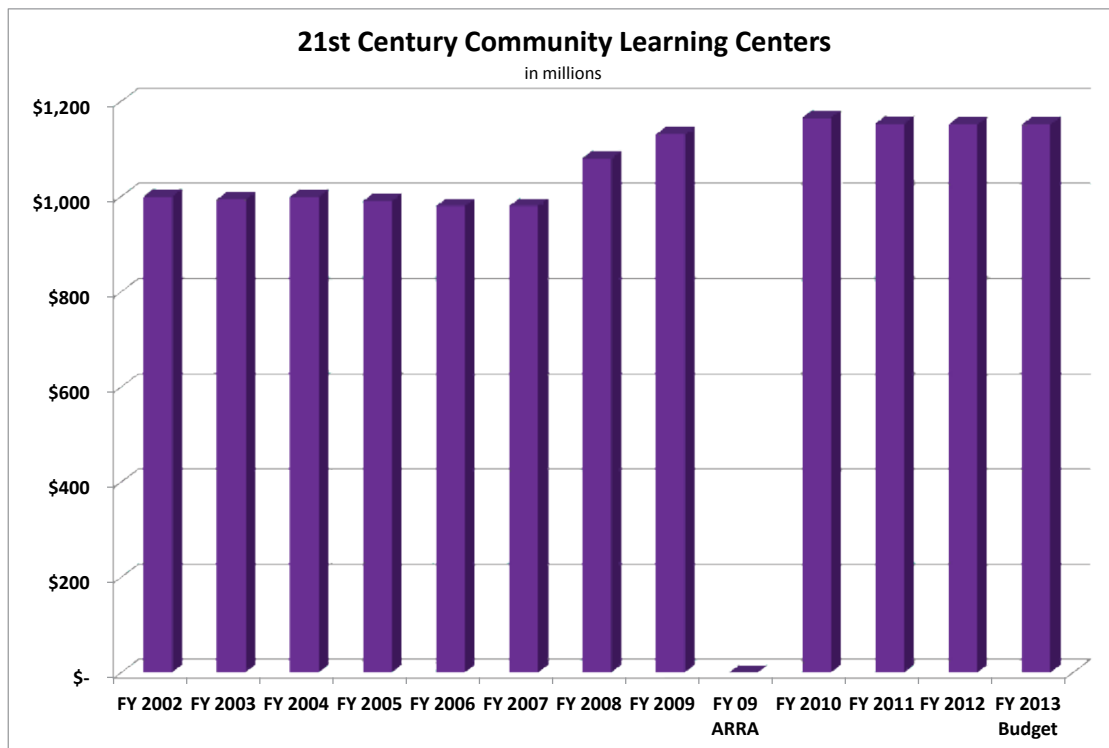


Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>President's FY 2013 Request</u>
\$1,153.85	\$1,151.67	\$1,151.67

Impact of President's Budget

The president's budget proposal for 21st CCLC would freeze funding at \$1,151.67 billion. It also would consolidate the Full-Service Community Schools program into the CCLC fund. In recent years, Full-Service Community Schools has received a separate appropriation of \$10 million. In addition, the president's proposal would add flexibility to the CCLC program to allow funds to be used for expanded learning time schools, calling for both in-school and out-of-school expanded learning opportunities programs subject to the same academic and enrichment requirements. Last year the president's budget proposed the same combination of program consolidations and flexibility for expanded learning time schools, but none of the changes was enacted. In the end, the program was frozen followed by small across-the-board cuts that reduced overall funding to \$1,151.67.



In the end, the program was frozen followed by small across-the-board cuts that reduced overall funding to \$1,151.67.

Impact of Sequestration

If sequestration is applied to the 21st CCLC fund at the expected 9.1 percent cut, the appropriation would be reduced by \$104.8 million. Adding the reduction in funding for Full-Service Community Schools, the total cut increases to \$114.8 million. Without accounting for loss of State, local, or private matching funds, which will drive these numbers up significantly, a cut of this magnitude will cost children more than 52,000 slots in after school programs (Wallace Foundation cost estimate of \$2,000 per slot for high-quality after school programs) or more than 80,000 spaces in expanded learning time schools (based on \$1,300 per student cost of the Massachusetts Expanded Learning Time Initiative).

Program Need

Providing programs for young people during after school hours and expanding school time helps working families, keeps children safe, and provides students with enriching activities that contribute to their school success. More than 15 million young people are unsupervised once the school day ends. Currently, 1.5 million young people are served by the 21st CCLC program. Full funding would allow an additional 1.5 million children and youth to participate in afterschool programs.

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Gifted and Talented Grants

Title V, Part D, Subpart 6, Elementary and Secondary Education Act

“Through my work on the U-STARS PLUS Javits Grant, I had the privilege of working with over 75 school districts in 6 states to support teachers in recognizing and nurturing potential in children from economically disadvantaged and/or culturally diverse families and children with disabilities to improve achievement and provide access to advanced educational opportunities. There are students with gifts and talents in every community whose unique learning needs require adaptations to the general education curriculum to ensure they remain challenged, engaged, motivated learners. Grants provided under the Javits Act seek to fulfill this mission.”

Mary Ruth Coleman, Senior Scientist, FPG Child Development Institute, UNC-Chapel Hill

Description

As the only federal program dedicated to addressing the unique educational needs of students with gifts and talents, the Jacob K. Javits Gifted and Talented Students Education Act focuses its resources on children who have traditionally not been included in gifted education programs: students with disabilities, English language learners and individuals from economically disadvantaged backgrounds. Through a system of competitive research, State capacity-building grants, and a national research center on gifted education, the Javits Act fills a critical void in our nation’s education system.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President’s Request</u>
\$0	\$0	\$0*

* The funding for this program would be consolidated into the proposed “College Pathways and Accelerated Learning” program.

Impact of President’s Budget

The Javits program is the only federal initiative targeted specifically to gifted and talented students. Eliminating its dedicated funding stream, as proposed in the president’s budget, may result in the disappearance of the only federal investment in gifted education, a disservice to high ability students in every school across the nation. Elimination of this program would severely impede best practices research, efforts to develop interventions to increase the number of disadvantaged students performing at advanced levels, and efforts to close the achievement gap among students at the highest levels of academic attainment.

Program Need

The federal government should not turn its back on gifted and talented education. The Javits program is the only federally funded national effort that helps create evidence based research on best practices. This research informs educators in how best and most effectively to serve students with gifts and talents. The Javits program requires at least \$20 million to help States expand their capacity to provide services that gifted students, especially those from disadvantaged backgrounds, need to realize their full potential. While a significant increase in funding is necessary to ensure students with gifts and talents have access to the instruction they need, \$20 million at least would allow between 10 and 15 States based on their specific needs to implement innovative approaches. As States cut funding even further and as the United States continues to fall behind on important international indicators of excellence, this investment is more critical than ever.

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Foreign Language Assistance Program

Title V, Part D, Subpart 9, Elementary and Secondary Education Act

The Montville School district in New Jersey received a FLAP grant to improve and expand its existing Chinese Language Program from middle school through high school by implementing an articulated course of study in Mandarin. The goal of the program is to prepare students to succeed socially and economically in today's multilingual world. Students are provided with strong communication skills in Chinese and an understanding of Chinese culture so they can be globally competent, with the ability to communicate and interact successfully with Chinese speaking people.

Description

The Foreign Language Assistance Program (FLAP) provides three-year grants to establish, improve, or expand innovative elementary and secondary foreign language programs. FLAP also provides grants to State education agencies to improve foreign language instruction and for the development of State foreign language standards and assessments, professional development, and distance learning. Congress historically has set aside approximately 30 percent of FLAP funds for grants to school districts that partner with institutions of higher education to establish or expand the study of languages deemed critical to national security.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$26.87	\$0	\$0*

* Funding for this program would be consolidated into the proposed "Effective Teaching and Learning for a Well-Rounded Education" program.

Impact of President's Budget

The president's budget would eliminate specific funding for FLAP and consolidate it along with four other programs in economics, history, civic education and the arts into a new program, "Effective Teaching and Learning for a Well-Rounded Education." Consolidating FLAP would leave elementary and secondary foreign language programs vulnerable to cuts from State and local educational agencies, which have not emphasized foreign language education in the past.

Program Need

Today approximately 25 percent of elementary schools in the United States offer world languages and only half of all American high school students take even one year of a world language. FLAP is the only dedicated federal program that supports elementary and secondary language programs in critical languages such as Mandarin and Arabic. Former CIA Director Leon Panetta stated that the ability to use languages of the people with whom we engage throughout the world is vital to our national security. Investing in FLAP not only provides this necessary skill set, it improves our global economic competitiveness.

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Grants for State Assessment and Enhanced Assessment Instruments

Title VI, Part A, Elementary and Secondary Education Act

Description

These grants encourage and support State efforts to develop and adopt better standards and assessments. The grants are used to improve the quality of assessment instruments and systems used by States to measure achievement of all students.

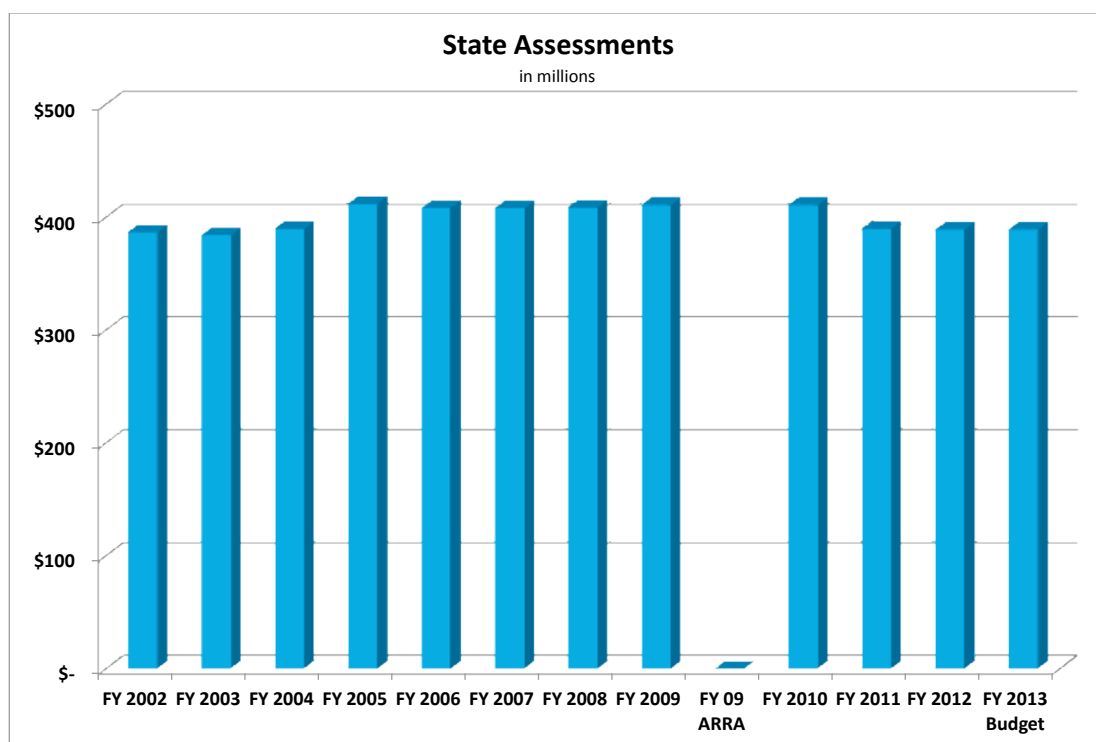
Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$389.95	\$389.21	\$389.21

Impact of President's Budget

The president proposes to change the name of this program to Assessing Achievement. The program would provide formula and competitive funds to develop and implement assessments currently required under the Elementary and Secondary Education Act (ESEA). In addition funds would go to develop new instruments aligned to college- and career-ready standards with a focus on accurately measuring student growth, more reliably measuring teacher effectiveness, and helping teachers tailor instruction. Grantees also could use these funds to develop college- and career-ready standards and assessments in other

subjects such as science or history. The proposed level of funding is inadequate to cover the costs of developing and administering high-quality assessment systems that capture a fuller picture of what students know and are able to do, including tests for English language learners and students with disabilities that reflect each student's level of mastery.



Impact of Sequestration

A 9.1 percent cut to this program, as estimated by the Center on Budget and Policy Priorities, would result in a \$35 million reduction in available funding and could result in a loss of almost 500 jobs across the country.

Program Need

A significant increase in funding is necessary so States can implement the additional costly assessments required under current law and the transition to new college- and career-ready standards. In past years, appropriation levels for this program have reached only a fraction of what is needed. The \$350 million Race to the Top set-aside for assessments only will support the initial development of new assessments and will not adequately support implementation or continuous improvement of the assessments.

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Education for Homeless Children and Youth (MVHAA Title VII-B)

Education for Homeless Children and Youth (MVHAA Title VII-B)

Thanks to in-school training Ruth Craft, a second grade teacher from Minneapolis, is able to pick up on clues that help identify a student as potentially being homeless. This year Craft has had four homeless students in her class of 25. "You're the anchor," she said. "When life is uncertain, they have to have one place that they know is going to be consistent." Twin Cities schools now provide a host of resources to students identified as homeless and highly mobile, everything from school supplies to alarm clocks, activities, transportation and moral support. At best, Minneapolis and St. Paul district programs keep homeless students from falling behind and dropping out.

Description

The Education for Homeless Children and Youth Program is the education subtitle of the McKinney-Vento Homeless Assistance Act. Under this program school districts permit students who become homeless to stay at their school of origin by providing transportation each day, even if they move away because of their housing situation. Additionally because many homeless students have problems keeping track of their records, McKinney-Vento allows them to immediately enroll in school with or without the records that may normally be required. Finally, funding from McKinney-Vento supports State coordinators and homeless assistance liaisons in school districts to help identify homeless students, assist them with school enrollment, and coordinate support services.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$65.30	\$65.17	\$65.17

Impact of President's Budget

Despite increasing need, funding for the Education for Homeless Children and Youth program has been flat for the past two years. Furthermore, the continuing resolution for FY 2011 cut funding by \$131,000, a real drop of 2 percent. In addition, the omnibus package for FY 2012 included a 0.189 percent cut for the program. According to a 2010 report by The National Center on Family Homelessness, there are 1.6 million homeless children in a year, which translates to more than 30,000 children each week and more than 4,400 each day. President Obama's FY 2013 budget request would freeze funding for a second consecutive year, resulting in school districts being unable to meet this educational challenge.

Impact of Sequestration

If sequestration is triggered in 2013, the Education of Homeless Children and Youth Program will be cut by \$5.1 million, adversely impacting 67,500 homeless or highly mobile students. Such a deep cut in funding would diminish the capacity of local liaisons to reach a larger share of this vulnerable population of students, making it much more difficult for students to enroll, attend, and succeed in school.

Program Need

This program helps to mitigate some of the negative consequences of homelessness for children. According to the National Center on Family Homelessness, homeless children are twice as likely as other children to repeat a grade, four times as likely to have developmental delays, and twice as likely to have learning disabilities. The stability provided by McKinney-Vento helps to prevent homeless students from falling behind in their schoolwork, despite the instability they experience outside of school. Students can receive services such as tutoring or other instructional support, referrals for health services, transportation, clothing, and school supplies.

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Rural Education Achievement Program

Title VI Part B, Elementary and Secondary Education Act

Twenty-four miles out to sea, Matinicus Elementary School (Maine) is a one room, one teacher island school serving around 6-8 students per year. Rural Education Achievement Program funding enables the school to be at the forefront of technological and educational programming. REAP provides vital funding not otherwise available to this tiny island school and enables students to participate in inter-island activities through internet/video communications. Maine's island schools collaborate on curriculum development, class visitations, and virtual field trips to support and enhance classroom activities. The USDA Rural Utilities Service Grant program provided the hardware, Maine Learning Technology Initiative provides the internet connectivity, and REAP provides the classroom materials. Field trips include visiting other island schools and week-long camps in science, math, language arts and physical education. Without REAP funding coming directly to the school system, many of the activities in which the students participate would not be possible. Being able to directly access the REAP funds relieves the district of the paperwork normally attached to federal programs, allowing all funds to go directly to the classroom. It is imperative for this program to remain in its present form.

Description

The Rural Education Achievement Program (REAP) assists small and low-income rural districts to raise student achievement where factors such as geographic isolation, poverty, and small enrollment might adversely impact the overall operation of the district. REAP is divided into two separate programs: the Small and Rural Schools Achievement Program and the Rural and Low-Income Schools Program.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$174.53	\$179.19	\$179.19

Impact of President's Budget

The president proposes to freeze REAP funding at \$179.19 million, well below the authorized \$300 million.

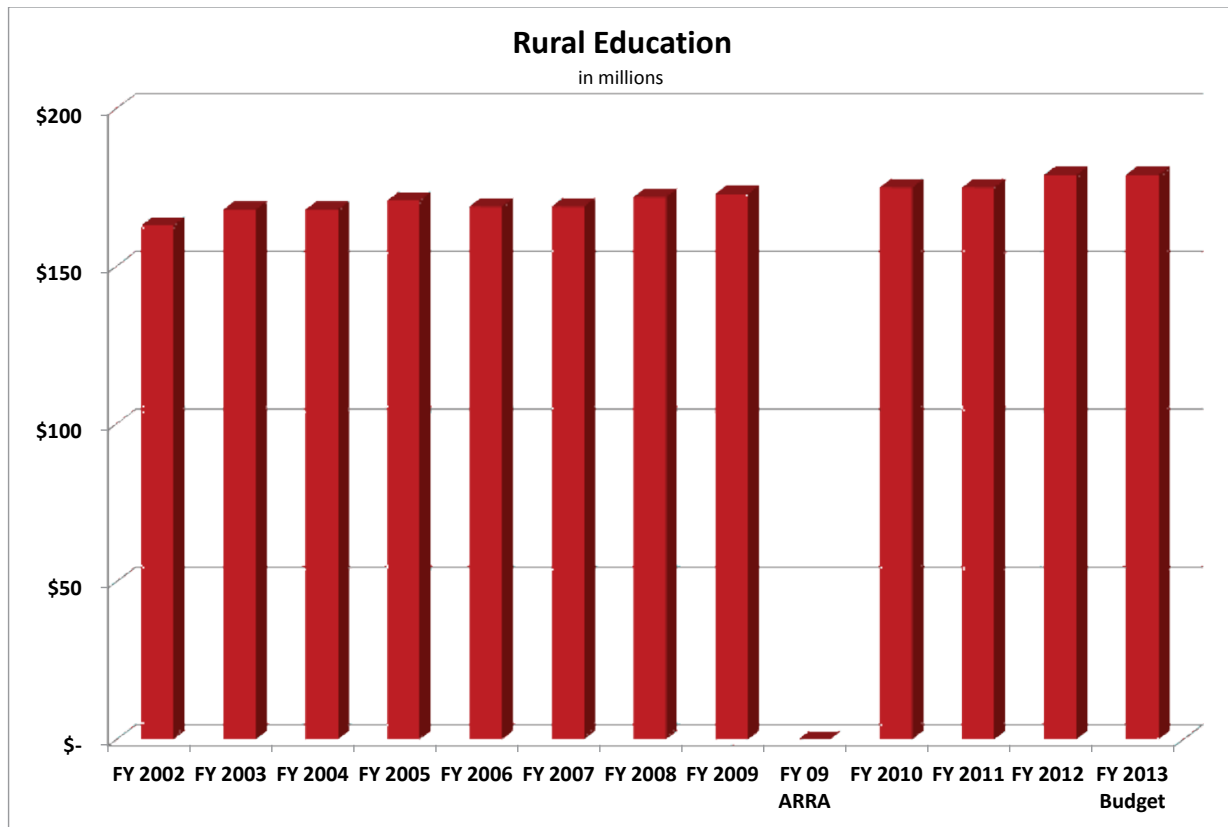
Impact of Sequestration

Subjecting REAP to a 9.1 percent cut would bring the overall level to \$162.88 million, the lowest level for the program since it was first authorized in 2002. Such a serious backward step in federal funding would be doubly troubling in the nation's rural schools, as new dollars continue to be directed to competitive programs for which rural schools lack the capacity to apply. Created in recognition of the unique challenges that rural schools face in resourcing their schools, REAP plays a crucial role in improving student achievement. The cuts from sequestration would undermine the progress of this successful program.

Program Need

The program needs to remain a formula-driven program. Funding REAP at an increase of \$71 million for a total of \$250 million would help rural districts overcome the additional costs associated with their geographic isolation, smaller number of students, higher transportation and employee benefit costs, and increased poverty. An increase in REAP funding would help offset not only the impact of formula cuts for small rural districts, but also the impact of the increased emphasis on competitive grants in federal education funding.





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Comprehensive Centers

Title II, Education Sciences Reform Act

The Appalachia Regional Comprehensive Center (ARCC), one of 16 regional centers, provided technical assistance services to the Tennessee Department of Education (TDE) on the promotion of teacher quality and equity. Tennessee staff defined teacher effectiveness and collaborated with the ARCC to analyze State data on highly qualified teachers and identify the equitable distribution of effective teachers across all schools, including those with identified high poverty and high minority populations. Data from the equity study were used to identify six districts with the greatest teacher distribution inequities. These six districts, designated as pilot sites for the TDE's equity project, represented approximately 328,000 students (more than half of Tennessee's student enrollment), including many of the State's poverty and minority students. Using the information from the pilots, the TDE then developed, implemented, and monitored strategies to ensure every student is taught by a highly qualified and highly effective teacher.

Description

The Comprehensive Centers provide intensive technical assistance to increase the capacity of State education agencies to help districts and schools implement Elementary and Secondary Education Act (ESEA) programs and requirements and meet State targets for student achievement. The current system includes 16 regional centers working with State departments of education within specified geographic regions to help them implement ESEA school improvement measures and objectives. In addition, five content centers provide in-depth specialized support in key areas, with separate centers focusing on assessment and accountability, instruction, teacher quality, innovation and improvement, and high schools.

Funding History (in millions)

FY 2011
\$51.21

FY 2012
\$51.11

FY 2013 President's Request
\$51.11

Impact of President's Budget

Education research and technical assistance in general, and the Centers in particular, have not received the funding required from the federal government for far too long. In fact, this is the third consecutive year in which the Centers' funding is frozen in the budget request. This problem is compounded by the dire fiscal straits facing many State education agencies and the new responsibilities assigned them under federal initiatives such as Race to the Top and ESEA State waivers.

Impact of Sequestration

A 9.1 percent reduction to \$46.46 million in the Comprehensive Centers' budget would further constrain the program's scope of work and seriously limit the Centers' ability to help States build their capacity to assist schools to improve. The number of schools needing assistance continues to increase each year, yet the funding is slowly eroding.

Program Need

With States desperate to find ways to help more than 10,000 schools in need of improvement, the need for high quality education research and development has never been greater. Increased investments in the Comprehensive Centers program will enable the content centers to deepen their focus on critical improvement problems and research-based solutions in key topic areas and the regional centers to help States respond to the increased demand for turning around low performing schools. An independent evaluation of the operation of the program released last year (<http://ies.ed.gov/ncee/pubs/20114031/pdf/20114032.pdf>) found Comprehensive Centers' operations helped to build State capacity and provided materials and assistance of high quality, relevance, and usefulness. In fact, State education agencies often wanted more support than Centers were capable of providing.

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Indian Student Education

VII Part A, Elementary and Secondary Education Act

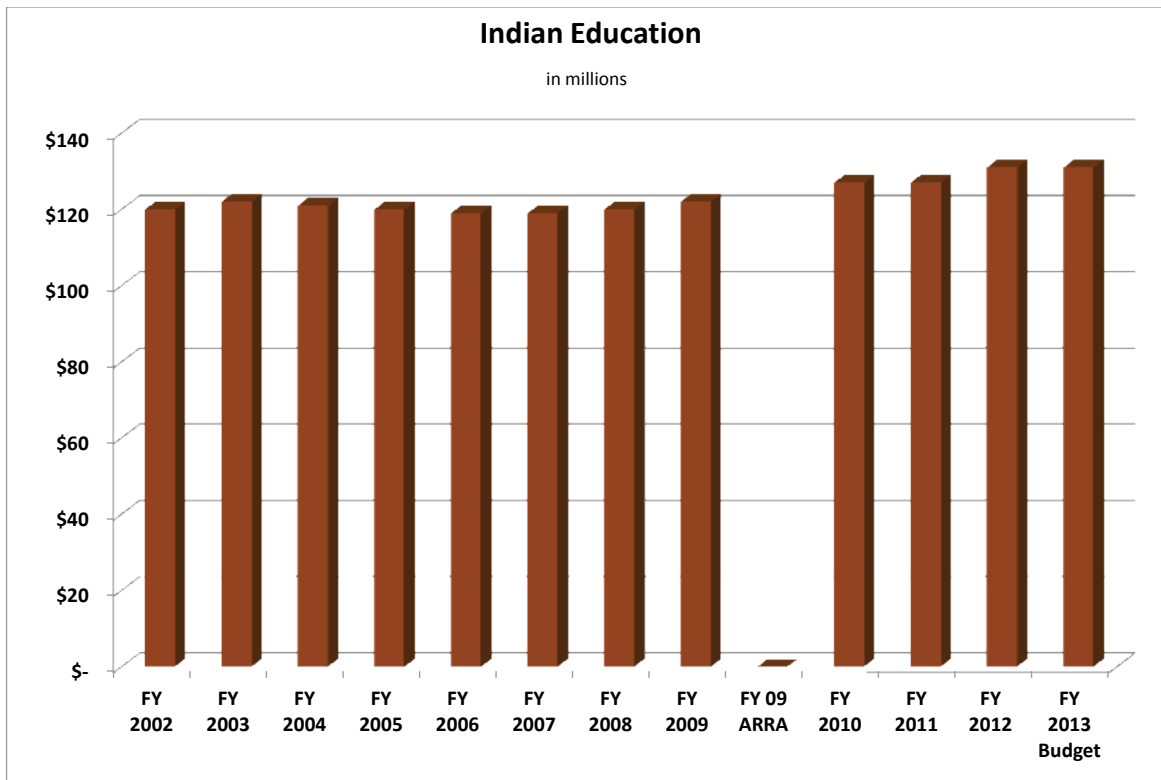
The Toppenish School District in Washington State will continue to use Title VII funding to enrich classroom studies with a focus on culturally and linguistically based approaches that link student learning to effective instruction. The district's Title VII Indian Parent Committee recognizes the value of volunteering and engaging the entire community to build support for all students. Toppenish has experienced significant gains in standardized tests, but most important, has seen a decrease in absenteeism and greater high school completion rates through the infusion of culturally based education. "It's [my culture] where I get my strength," said a student. "The dances take dedication, hard work, a lot of thinking, as well as physical strength. It's just like school."

Description

Title VII supports local school districts, Indian tribes and organizations, postsecondary institutions, and other entities to meet the unique educational and culturally related academic needs of American Indian and Alaska Native students, so students can meet the same challenging State academic achievement standards as all other students.

Funding History (in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
Grants to LEAs	\$104.12	\$105.92	\$105.92
Special Programs for Indian Children	\$ 19.02	\$ 18.99	\$ 18.99
National Activities	\$ 3.88	\$ 5.87	\$ 5.87
Total	\$127.03	\$130.78	\$130.78



Impact of the President's Budget

Unfortunately when faced with making tough budgetary decisions, policy makers and elected officials often target education and other social welfare budgets that require more long-term investments. In fact, Native youth and families are often the hardest hit by these cuts. As a result, schools in Indian Country face inadequate federal support which leads to a lack of support services, shortage of staff, and dilapidated facilities. Additionally, the federal government must fulfill its trust obligation to provide a quality education for American Indians and Alaska Native people.

Impact of Sequestration

A 9.1 percent cut would equal an \$11.9 million reduction to Indian Education programs. Already underfunded schools will no longer have access to support services that allow them to thrive in environments that support their cultural identities. In addition, they will lose precious resources that are helping to close the achievement gap for Native students.

Program Need

It is well documented that Native students are more likely to thrive in environments that support their cultural identities. Title VII has produced many success stories, but increased funding is needed in this area to close the achievement gaps for Native students and to ensure continued support for Native cultures and language education.

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Race to the Top

American Recovery and Reinvestment Act (ARRA)

Description

Race to the Top (RTTT) provides funds to States on a competitive basis to support education reforms in four key areas:

- Adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy;
- Building data systems that measure student growth and success and inform teachers and principals about how they can improve instruction;
- Recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most; and
- Turning around our lowest-achieving schools.

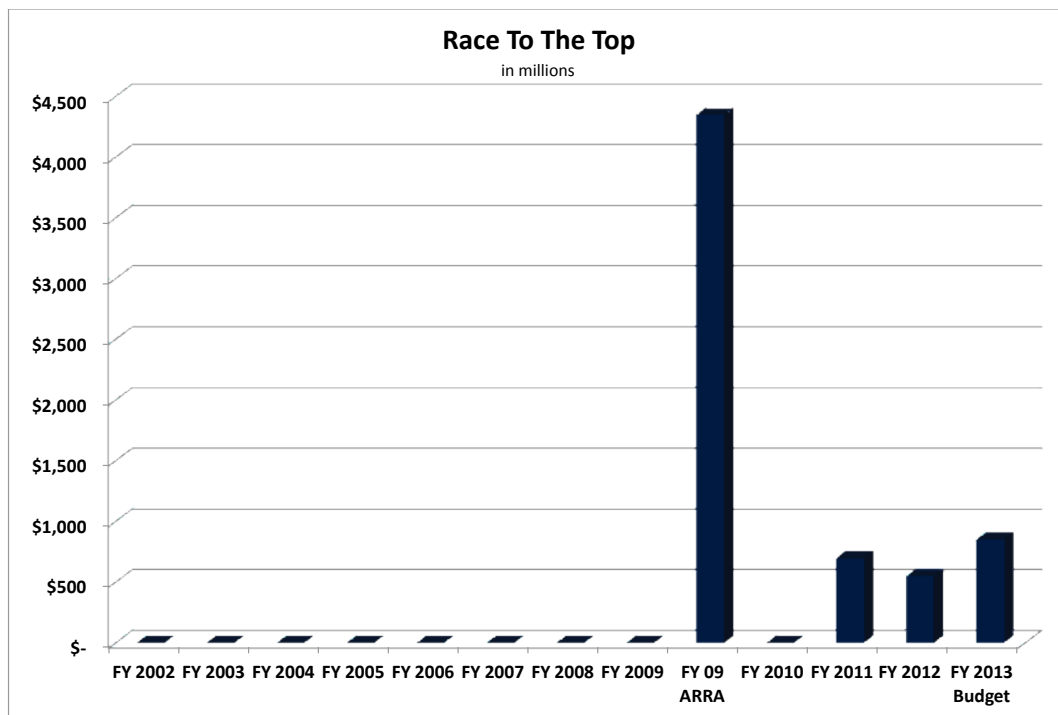
Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$698.60	\$548.96	\$850.00

Impact of President's Budget

Race to the Top is designed to support comprehensive reform efforts and innovations to raise student achievement and reduce achievement gaps. The president's FY 2013 proposal would provide \$850 million in competitive grants to create incentives for comprehensive State and local reforms and innovations designed to close achievement gaps and produce significant improvements in student achievement, high school graduation rates, and college enrollment rates. The FY 2013 round of funding will deepen the Administration's investments in five core areas of reform: rigorous standards and assessments, using data to improve instruction and decision making, recruiting and retaining effective teachers and principals, turning around low-performing schools, and improving State systems of early learning and care.





Impact of Sequestration

A 9.1 percent cut to Race to the Top would mean a loss of \$49.96 million, reducing the ability of the Department of Education to provide competitive grants to States and districts to support innovative investment.

Program Need

Congress should support continued investments in the Race to the Top account. There are concerns about the sustainability of positive reform-oriented changes without continued funding. Affording States the opportunity to submit joint applications could help small and rural States that lack the necessary capacity to collaborate on comprehensive reform efforts.

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Investing in Innovation

Title XIV, American Recovery and Reinvestment Act of 2009 (ARRA)

Description

The Investing in Innovation (i3) initiative provides grants to expand and develop innovative practices related to improving student achievement or student growth. Applicants include local school districts, as well as nonprofit organizations working in partnership with one or more districts. Applicants can work in partnership with the philanthropic community and the private sector.

Funding History (in millions)

FY 2011
\$149.70

FY 2012
\$149.42

FY 2013 President's Request
\$150.00



Impact of President's Budget

The president's budget provides a slight increase for the i3 program (\$583 thousand). The overall request would allow for additional applicants to this program originally funded through the American Recovery and Reinvestment Act. Priority would be given to projects proposing to improve early learning outcomes; improve student attainment in science, technology, engineering, and mathematics (STEM); and, increase productivity by improving student learning or other educational outcomes while increasing efficiency in the use of time, staff, money, or other resources. In addition, the request would support the Advanced Research Projects Agency-Education (ARPA-ED), a new entity modeled after similar agencies in the Department of Defense and Department of Energy. ARPA-ED would pursue breakthrough developments in educational technology and learning systems, support systems for educators, and educational tools. The budget also proposes to incorporate i3 into ESEA.

Impact of Sequestration

This program will experience a cut of \$13.65 million under sequestration, significantly reducing the number and/or size of grants available to grantees.

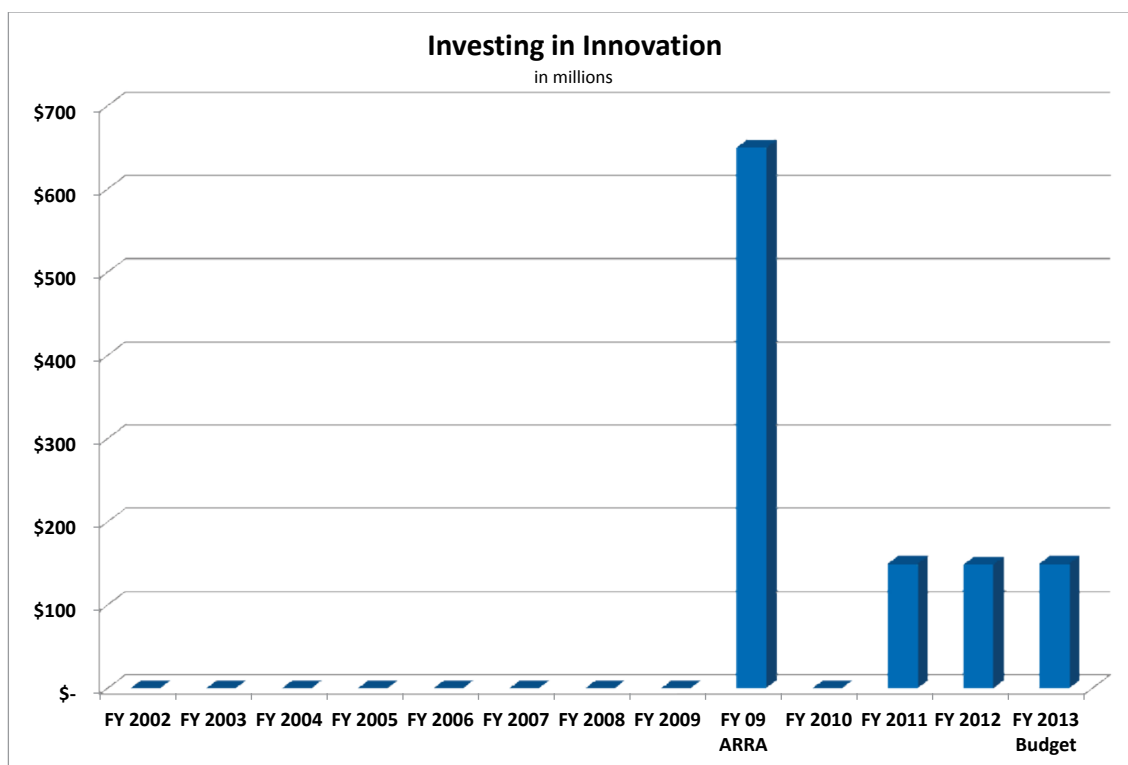
Program Need

At a time when the economic recovery is slow, with a commensurate negative impact on education funding at the State and local level, one role the federal government can play is to support best practices. The i3 program allows innovators to attempt creative approaches to improving student achievement and outcomes and develop models of best practices. However, nurturing innovation must be balanced with the primary role of the federal government in education which is supporting disadvantaged students.

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Teacher Incentive Fund

Title V, Part D, Elementary and Secondary Education Act

The Austin Independent School District (Texas) has used its Teacher Incentive Fund (TIF) grant to implement and expand a strategic compensation program entitled REACH. The REACH program seeks to recruit, develop, and retain high quality teachers and school administrators in Austin’s high-need schools. The REACH program couples supports and rewards to accelerate instructional quality and academic improvement.

Description

Teacher Incentive Fund (TIF) grants support efforts to develop and implement performance-based teacher and leader compensation systems in high-need schools and districts. The goals of this discretionary grant program are to improve student achievement through increased teacher and leader effectiveness, implement reforms to reward teachers and leaders for increased student achievement, improve the distribution of effective teachers in underserved communities and subject areas, and encourage the creation of sustainable performance-based compensation systems.

Funding History (in millions)

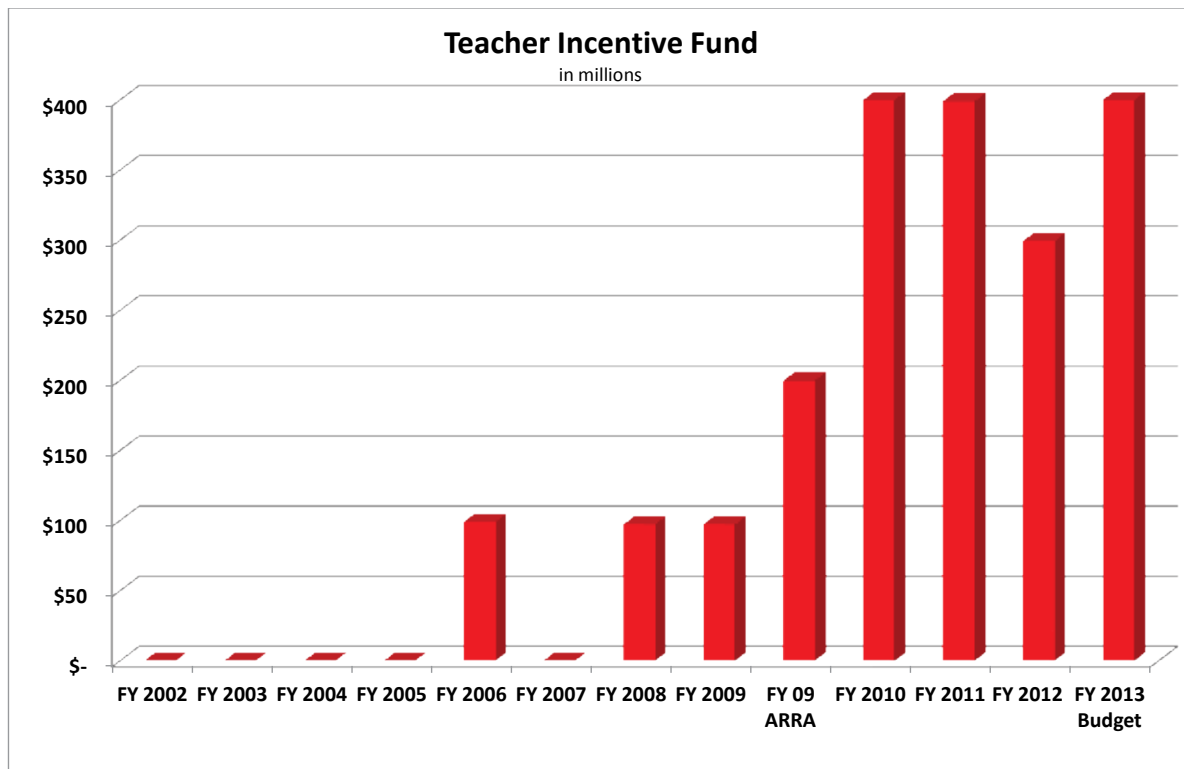
<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President’s Request</u>
\$399.20	\$299.43	\$400.00

Impact of President’s Budget

The president’s budget request to Congress proposes \$400 million for the program. The goal of the newly titled Teacher and Leader Innovation Fund is to “transform teacher and leader evaluation and compensation to reward strong teaching and support improvement.” The requested increase of just over \$100 million would expand the grant program, allowing more opportunities to raise student achievement through improved instruction.

Impact of Sequestration

Sequestration would result in a loss of \$27.25 million, or between ten and 50 Teacher Incentive Fund grants.



The president’s budget proposes to restructure and rename this program as Teacher and Leader Innovation Fund.



Program Need

The Teacher Incentive Fund grants assist district and school level leadership in implementing reforms to boost student achievement through improved instruction, with special emphasis on disadvantaged populations. Maintaining federal investment in TIF is vital to furthering State and local efforts to narrow achievement gaps and improve educational equity and opportunity for all students.

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Troops to Teachers

Title II, Part C, Subpart 1, Chapter A, Elementary and Secondary Education Act

Description

Troops-to-Teachers helps retiring military personnel earn teaching credentials. The program serves a dual purpose: strengthening our teaching workforce while offering professional development opportunities for those who have served our country in the armed services.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$0*	\$0*	\$0*

* The budget proposes moving these funds from the Department of Education budget to the Department of Defense budget.

Impact of President's Budget

Allocating funds directly to the Department of Defense may be a reasonable proposal since in practice the Secretary of Education transferred these funds to the Department of Defense. Programs such as Troops-to-Teachers, which support the preparation and recruitment of teachers into high need communities, are severely underfunded. Continued funding below the FY 2003 level will lead to significant erosion in the purchasing power of this program.

Impact of Sequestration

Sequestration would lead to even further reductions in this program. Continuing to fund the program below the FY 2003 level will reduce opportunities for eligible military personnel to begin new careers as teachers in public schools where their skills, knowledge, and experience are most needed.

Program Need

Troops-to-Teachers allows eligible military personnel to start a teaching career in areas of the country with the greatest need. The program offers retiring military personnel an alternative avenue to earning teaching credentials, while helping schools that continue to struggle to fill classrooms with dedicated and prepared teachers.

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Transition to Teaching

Title II, Elementary and Secondary Education Act

Description

Transition to Teaching is a grant program that helps recruit and prepare mid-career professionals and recent college graduates to work as teachers in high-need schools.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$41.13	\$26.05	\$0*

* Funding for this program would be consolidated into the proposed "Teacher and Leader Pathways" program.

Impact of President's Budget

Consolidating Transition to Teaching with other programs means, in the best case, that its purpose will become an "allowable use of funds" rather than a required use of funds. It will be difficult to determine what amount is spent on recruiting and preparing mid-career professionals. The downward trend in funding for this program over the past several years has resulted in fewer grants at a time when the need for recruiting and training qualified teachers is still very acute. Programs such as Transition to Teaching that support the preparation and recruitment of teachers are severely underfunded.

Impact of Sequestration

If sequestration occurs, it will result in a reduction of almost \$2.5 million. As this program was already cut in half in FY 2012, it can ill afford further reductions. There are already fewer grants available at a time when there is a great need for recruiting and training qualified teachers who will remain in the classroom.

Program Need

The consolidation and likely underfunding of this program means fewer grants at a time when teacher shortages are increasing, especially in high-need schools. This program provides dedicated funding for career changers to enter the teaching profession, a necessary investment if we are to bring qualified and effective teachers into our nation's classrooms. The loss of this program sends the wrong message. This program should remain separate and with a dedicated funding stream, and funding should be restored to at least the FY 2011 level.

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School Leadership

Title II, Elementary and Secondary Education Act

Through School Leadership program grants, the New York City Leadership Academy, Inc. supports initiatives that address the leadership needs of the New York City Department of Education. One of the grant sub-contractors, the Executive Leadership Institute, offers program development and strategic support to principals and aspiring principals. The program provides school leaders hands-on relevant training and meaningful workshops that give real time feedback on observations and useful interactions with other principals and aspiring principals.

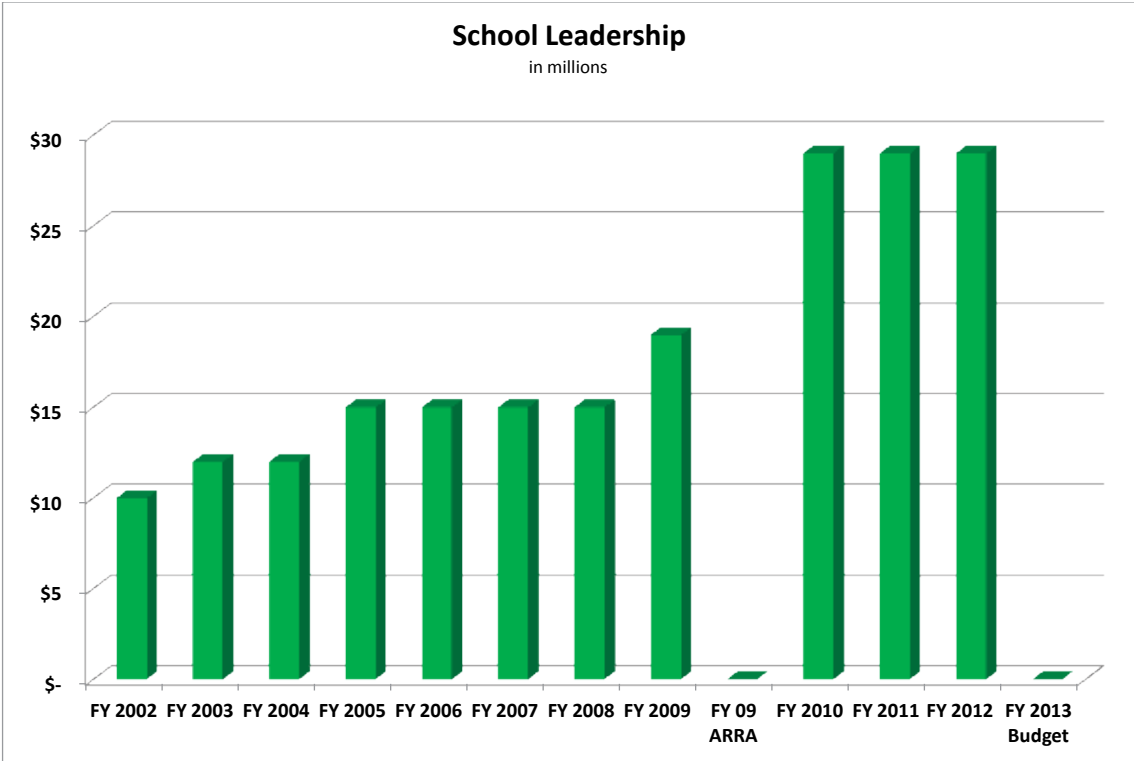
Description

The School Leadership program offers competitive grants to help districts in high-need areas recruit and retain principals and assistant principals. Grants may be used to offer financial incentives for aspiring new principals, provide stipends to principals who mentor new principals, and carry out professional development programs in instructional leadership and management.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$29.16	\$29.11	\$0*

**Funding for this program would be consolidated into the proposed "Teacher and Leader Pathways."*



The president's FY 2013 budget proposes to consolidate School Leadership into a new Teachers and Leaders Pathways program funded at \$74.7 million.

Impact of President's Budget

Consolidating this program into a larger competitive grant will result in the elimination of the only funding stream dedicated exclusively to attracting and retaining principals in high-need districts. There are consistently many more grant applications than can be funded, which attests to the strong interest in the program and the need for additional funds. As the instructional leader of a school, the principal plays a unique and important role in implementing reform and creating a climate that fosters excellence in teaching and learning. In today's achievement-focused atmosphere, the stewardship provided by the principal of a school is even more crucial.

Impact of Sequestration

A 9.1 percent cut would result in a loss of over \$6.7 million in funding for school leadership grants. This drastic cut would severely limit efforts by States and districts to provide leadership training and recruitment of school leaders and hamper progress on school reforms. This cut would also come at a time when States are struggling with budget shortfalls and slashing their education budgets. This could result in significant job loss and be harmful to economic recovery efforts.

Program Need

The School Leadership program is the only federal initiative that directly addresses the difficulty of attracting and retaining high-quality candidates to positions as principals in high-need districts. Although there is an allowable use of Title II funds for principal training, this funding has not been effective in ensuring principals are included in ongoing professional development and mentoring activities.

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Charter Schools

Title V, Elementary and Secondary Education Act

Description

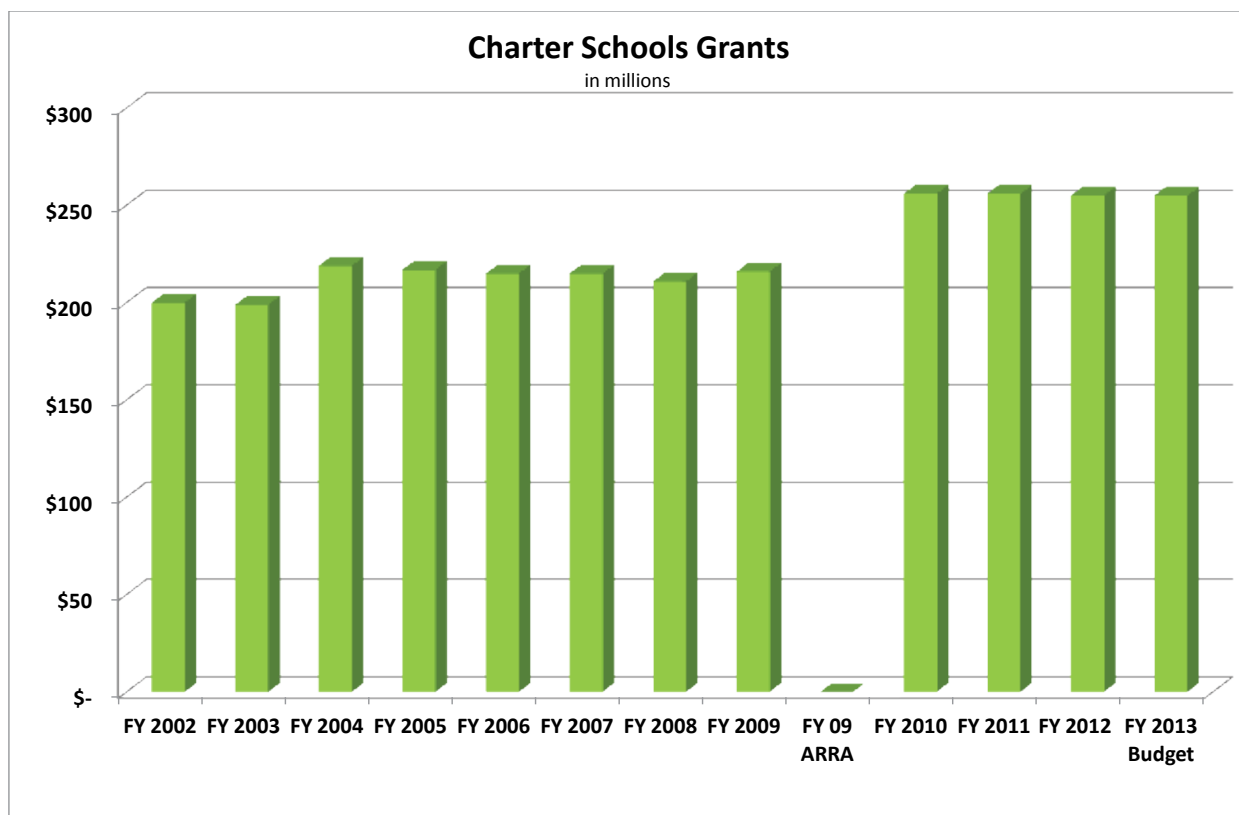
Charter schools are publicly funded nonsectarian public schools. Charter schools provide additional educational options to parents and can allow for greater innovation in educational programming. Charter schools can be a part of the local school district or treated as a separate district.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$255.52	\$255.04	\$0

* Funding for the program would be consolidated into the proposed "Expanding Educational Options" program.





The president's FY 2013 Budget proposes to consolidate Charter Schools into a new Expanding Educational Options program funded at \$255 million.

Impact of President's Budget

The president's budget request would remove the specific funding stream for "charter schools." Instead the budget calls for a new program, "Expanding Educational Options." While this new program is proposed to have the same level of funding as the current charter school program, the result could be less funding for charters as the new program funds could be used for other public school choice options.

Impact of Sequestration

This program will experience a cut of \$23.21 million under sequestration, which will impact attempts to create and scale up effective charter schools.

Program Need

Charter schools enroll a small percentage of the nation's students and are one component of the public school system. Any funding increase for charter schools should be accompanied by increased support for all public schools.

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Magnet Schools Assistance Program

Title V, Elementary and Secondary Education Act

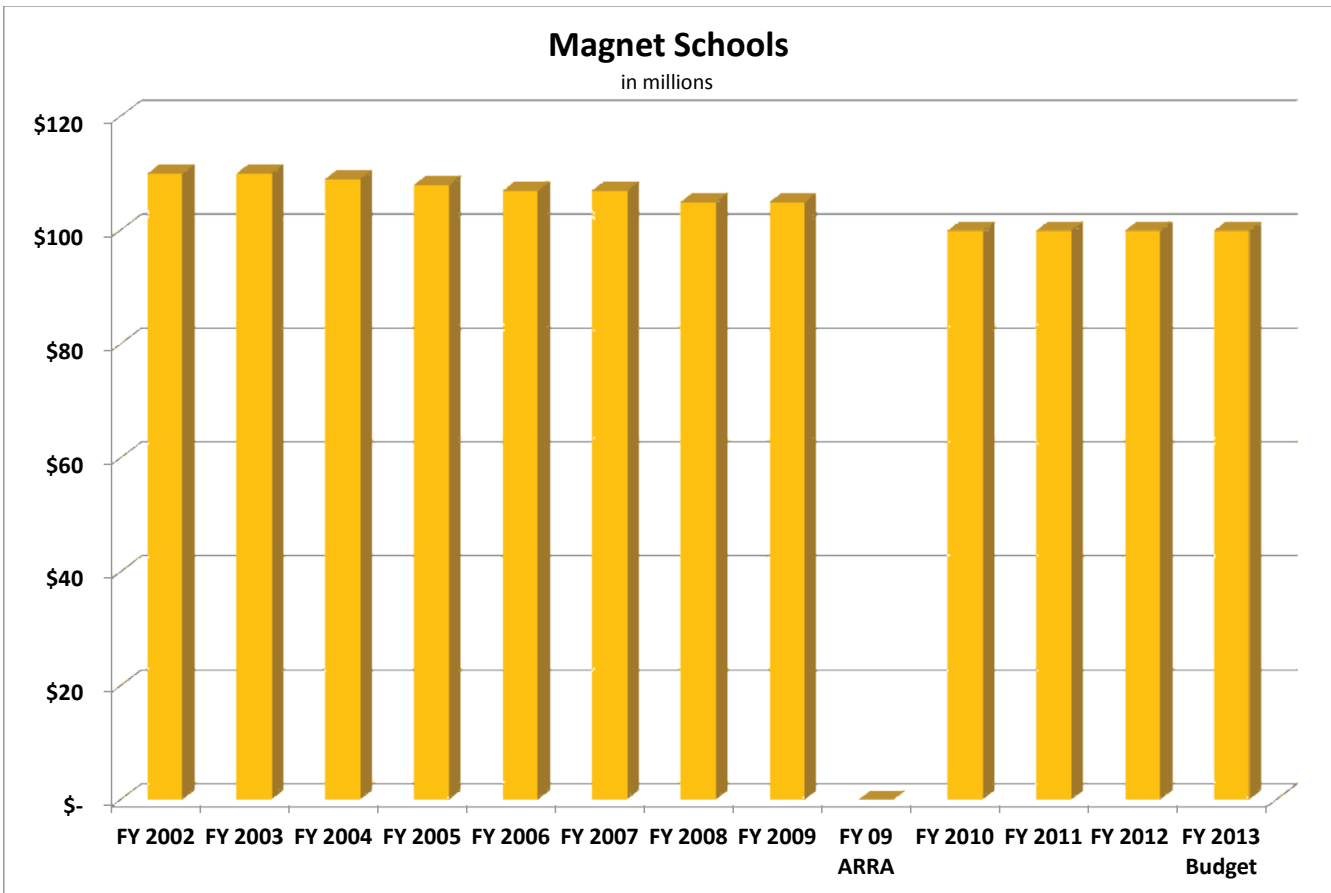
To most kids, Legos are for constructing Star Wars aircraft, pirate ships, or towering skyscrapers. But to a group of students at McNicol Middle School (Florida) on January 7, 2012, Legos took on a whole new meaning. Since September teams of students worldwide researched, designed, built and programmed, tested and collaborated under the guidance of adult coaches and mentors. Robotics teacher Phillip Shaver worked with two teams at McNicol Middle Magnet and STEM School to prepare for competition at one of the biggest F.I.R.S.T. Lego League Qualifying tournaments in Florida. At the end of the day's events, the students' efforts were rewarded when the two teams earned bids to the Regional Tournament to take place on their home turf on January 28th.

Description

The Magnet Schools Assistance Program (MSAP) provides assistance to local school districts to establish new and/or significantly revised magnet schools and programs. Grant recipients must (1) improve diversity by reducing, preventing, or eliminating minority group isolation in schools and programs; (2) improve academic achievement; (3) implement systematic reforms that are academic and career-related to increase student achievement; and, (4) implement theme-based, high quality programs.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$99.80	\$99.61	\$99.61



Impact of President's Budget

The president's FY 2013 budget request for MSAP significantly impacts any growth in magnet school choice programs emphasizing theme-based instruction. School districts operate magnet schools as part of court-ordered/court approved or voluntary desegregation plans to eliminate, reduce, or prevent minority group isolation in elementary and secondary schools while strengthening students' knowledge of academic subjects. Magnet schools address desegregation goals by providing a special curriculum that attracts a diverse student population and fosters education reform. With continued cuts in the number of districts funded each grant cycle, the waiting list of students to enroll in high quality magnet choice programs continues to grow. Parents are frustrated that their children's educational needs are not fulfilled.

Impact of Sequestration

MSAP funds and currently funded programs will be dramatically impacted by sequestration if allowed to take effect. The program would be reduced by approximately \$9.06 million in FY 2013. Each of the 38 current grantees or school districts would have its current grant reduced by approximately \$228,000 in just one fiscal year, impacting the operation and possibly the staffing in 2013, the third year of the grant cycle.

Program Need

The proposed increase in funding of 10 percent would have allowed the continued growth of these school choice programs. For a significant number of students, increasing academic achievement and improving diversity in magnet school programs results in improved student performance and a reduction of racial isolation in magnet programs. The current grant cycle (2010-13) provided funds to only 38 school districts in 15 States, a reduction of almost 20 percent from the previous grant cycle. Additional investment in the program is critical as past funding has not met the continued demand for participation in the MSAP. This increase would allow school districts that did not receive funding in the last grant competition to participate in this competitive program.

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Advanced Placement

Title I, Part G, Elementary and Secondary Education Act

A teacher at Heritage High School in Baltimore recently received an AP Incentive Program (APIP) grant called Project 3+3. Below is his description of what the grant provided:

"I wouldn't be an AP teacher, and we would not have an AP class, without this grant. The AP Literature class I taught last year changed the trajectory of my students' lives. For my students, extraordinary needs and extraordinary hardships are the norm, not the exception. For context, I'll tell you that Heritage High is a high poverty neighborhood school where 99 percent of our 800 students are African American, and around 80 percent receive free and reduced meals. Reading levels in my AP class ranged from the 2nd to the 86th percentile. However, our only AP admission requirement is a willingness to dream big and accept the challenge. The students started study groups, met outside of class, and built in extra study halls. None of this would have happened without the grant. It enabled us to interact with AP students from around the city, funding multiple student symposia on local college campuses. It allowed several students to prepare during the summer at an AP prep academy on Towson State's campus. And it allowed me to meet with fellow teachers several Saturdays throughout the year to exchange ideas. These grants help our neediest schools, our neediest kids. We're talking about a dollar amount that may seem small but is actually a lot of money in schools that lack heat in many classrooms, where teachers buy their own paper and pencils for kids, where we supply our own personal technology and dip into our own pockets for nearly every other resource. We're talking about a little bit of money that has a profound impact that changes the trajectories of thousands of young lives in the places that need it the most."

Description

These competitive grants to States and local school districts and nonprofit organizations support teacher professional development and other programs that make Pre-Advanced Placement and Advanced Placement courses more widely available to low-income students. Funds also are used to pay for Advanced Placement (AP) and International Baccalaureate (IB) exams for low-income students. AP and IB programs increase the rigor of high school curricula and offer a proven avenue to postsecondary success. Since the program's inception just over 10 years ago, the number of low-income students who have taken an AP course has increased significantly, from 82,000 exams taken in 1999 to more than 600,000 exams in 2011.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$43.25	\$26.95	\$0*

*Funding would be consolidated into the proposed "College Pathways and Accelerated Learning" program.

Impact of President's Budget

The president's FY 2013 budget request consolidates the AP Test Fee and Incentive Program and the High School Graduation Initiative into a new category called "College Pathways and Accelerated Learning," with a total request of \$81.3 million. In FY 2012, these programs together received \$75.8 million.

Impact of Sequestration

If sequestration is enacted, cuts to education programs could exceed 9 percent in FY 2013. This would have a devastating effect on the AP Program, which was already cut by \$16 million in FY 2012. Funds to cover AP and IB exam fees for low-income students would be vastly reduced, and thousands of these students may forgo the exams entirely. In addition, there would not be enough funds to even continue the Advanced Placement Incentive Program.

Program Need

The AP Test Fee and Incentive Program should be maintained as a separate grant program with a funding level of \$43 million. This would ensure sufficient funds are dedicated to AP Test Fee exams for low-income students and the support of professional development for AP and Pre-AP teachers.

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Ready to Learn

Title II, Section 2431, Elementary and Secondary Education Act

Ready To Learn funded children's programming is proven to enhance children's early literacy. In a recent evaluation, preschool children who watched the program SUPER WHY! performed significantly better on most of the standardized measures of early reading achievement when compared with those preschool children who watched an alternate program. Pre-test to post-test gains averaged 28.7 percent for SUPER WHY! viewers compared with an average gain of 13.2 percent for alternate program viewers.

Description

Ready To Learn funds critical research and development of high-quality, scientifically-based content that can be used at home and in the classroom to improve reading achievement for children aged two through eight from low-income families. Working in partnership with the best talent in children's programming and leading reading researchers, public television entities have created cutting edge programs and content proven to develop children's literacy. Such children's classics as Sesame Street and Clifford the Big Red Dog have benefited from the Ready To Learn program.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$27.25	\$27.19	\$0*

* Funding for this program would be consolidated into the proposed "Effective Teaching and Learning: Literacy" program.

Impact of President's Budget

The president's proposal to eliminate dedicated funding for Ready To Learn jeopardizes the ability of local public television stations to meet the local and national literacy needs of educators and learners. The consolidation would deprive numerous low-income and underserved communities of the high-quality programming, materials, and proven on-the-ground outreach they so desperately need. Furthermore, the president's proposal ignores the years of trust, reach, and proven results public television stations have built, in addition to Congress's significant investment in the program. Without funding for this program, grantees would not be able to create more award-winning programming, such as Sesame Street, SUPER WHY! and Between The Lions, all of which have benefited from Ready To Learn's scientifically-based research.

Impact of Sequestration

Sequestration would cause a deep cut to Ready To Learn during the third year of the program's five year grant cycle. This disruption in funding could negatively impact the incredible success being generated by the current grantees.

Program Need

Ready To Learn serves children in numerous low-income and underserved communities through high-quality programming, materials, and proven outreach desperately needed to improve early literacy and prepare children for academic success. Ready To Learn resources are targeted to families and communities that need them the most, ensuring children are exposed to high-quality educational content. Funding for this program has created scientifically-researched award-winning programming proven to help close the achievement gap.

Contact Information

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Arts in Education

Title V, Part D, Subpart 15, Elementary and Secondary Education Act

At Springville K-8 School in Portland, Oregon, instead of focusing on separate subjects students head off on “learning expeditions”—big units of study that merge art, science, and social studies. “Our goal is to embed high-quality products and the character trait of perseverance in our school culture,” said principal Cheryl Ames. At many schools, students make a picture or write a poem and move on. By contrast, Springville students are expected to evaluate and refine their work until it is the best it can possibly be. “It is only when students learn how to evaluate their work and use the feedback from others that they enhance and improve their work,” said Ames.

Description

The Arts in Education program authorizes competitive and noncompetitive awards to strengthen arts programs and integrate them into core curricula. Competitive awards are used to create and develop material for integrating a range of arts disciplines, including music, dance, theater, and visual arts, into elementary and middle school curricula. The program supports the enhancement, expansion, documentation, evaluation, and dissemination of innovative models that demonstrate effectiveness in integration, instruction and student academic performance in the arts. The program also authorizes noncompetitive awards to VSA, encouraging the involvement and greater awareness of the arts for persons with disabilities, and to the John F. Kennedy Center for the Performing Arts for arts education programs serving children and youth.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President’s Request</u>
\$27.45	\$24.95	\$0*

**Program consolidated under proposed “Effective Teaching and Learning for a Well-Rounded Education” initiative.*

Impact of President’s Budget

The president’s FY 2013 budget proposal includes \$90 million for the Effective Teaching and Learning for a Well-Rounded Education program, subsuming the current Arts in Education program. States and school districts are given the flexibility to determine how funds are used to support core academic subjects and develop strategies to best meet their needs. As a small piece of a much broader competitive program, there will be limited funding for arts education and integration. Further, the lack of any new funding and broad programmatic structure limits the ability to target arts integration resources.

Program Need

An appropriation of \$53 million for the Arts in Education program will support additional competitive grants to improve arts learning, and findings from model projects may be more widely disseminated. Arts in Education funds provide unique federal support for professional development for arts educators, evaluation and national dissemination, and ongoing national arts education integration initiatives.

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Parental Information and Resource Centers

Title V, Part D, Elementary and Secondary Education Act

California PIRC's Project INSPIRE Parent Leadership Academy is currently working with school districts across California. Teachers and school administrators in every participating school report improvements in the type, frequency, and intensity of interactions with parents participating in the INSPIRE program. Program evaluation findings show that students with parents who are participating in PIRC's Project INSPIRE experienced an average increase score of 12.8 points in English language arts and 18.5 points in math achievement on the state assessment test.

Description

The Parental Information and Resource Center (PIRC) program provides competitive grants to nonprofits and consortia of nonprofits and school districts to fund statewide centers. These centers provide parents, organizations, schools, school districts, and States with comprehensive training, capacity-building, and support for effective parental engagement to improve student academic achievement and to strengthen partnerships for meeting the educational needs of children. The PIRC program is the only source of federal funding intended exclusively to help schools, districts, and States implement proven programs and strategies for family engagement that drive student achievement.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$0.00	\$0.00	—*

* PIRC is not included in the President's FY 2013 budget proposal.

Impact of President's Budget

While Congress has eliminated funding for various programs during the previous two appropriations cycles, PIRC program authorizations remain intact. The president's FY 2012 budget included the PIRC program under the proposed consolidated Expanding Educational Options initiative. Although the consolidation appears again in the FY 2013 proposal, the PIRC program goals are not included in the consolidation program's description. Annually PIRCs provide services to more than 16 million parents. Almost three quarters of parents served are low-income and more than half are parents with children who are limited English proficient. PIRCs have been at the forefront of research-based and innovative approaches that engage parents to increase student achievement and drive school reform, such as parent leadership academies, professional development for educators on meaningfully partnering with parents, and placing family engagement coordinators in school districts. Eliminating this program would direct dollars away from proven, researched-based strategies that engage parents and raise student achievement. Without PIRCs, public schools and districts will not have statewide support and capacity to engage families.

Program Need

The PIRC program focuses on implementation of research-based best practices in family engagement in education. In the latest report, PIRCs met or exceeded each of the six Department of Education's program performance measures. Since funding was eliminated in FY 2011, many PIRCs have closed, leaving high-need districts without access to the only available leadership, capacity-building, and technical assistance for parent engagement to boost student achievement. This program should be funded at the FY 2005 level of \$41.89 million to ensure continuity of programming and integrity of service delivery.

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Safe and Drug-Free Schools and Communities

Title IV, Part A, Elementary and Secondary Education Act

The East Whittier City School District uses grant funds to support a Discipline Action Team (DAT) for students with five or more discipline referrals. DAT students are provided counseling services to reinforce basic social and emotional skills. Participating students showed significant gains in post-test scores for self-esteem and more positive attitudes about school and life, resulting in reductions in truancy and school failure.

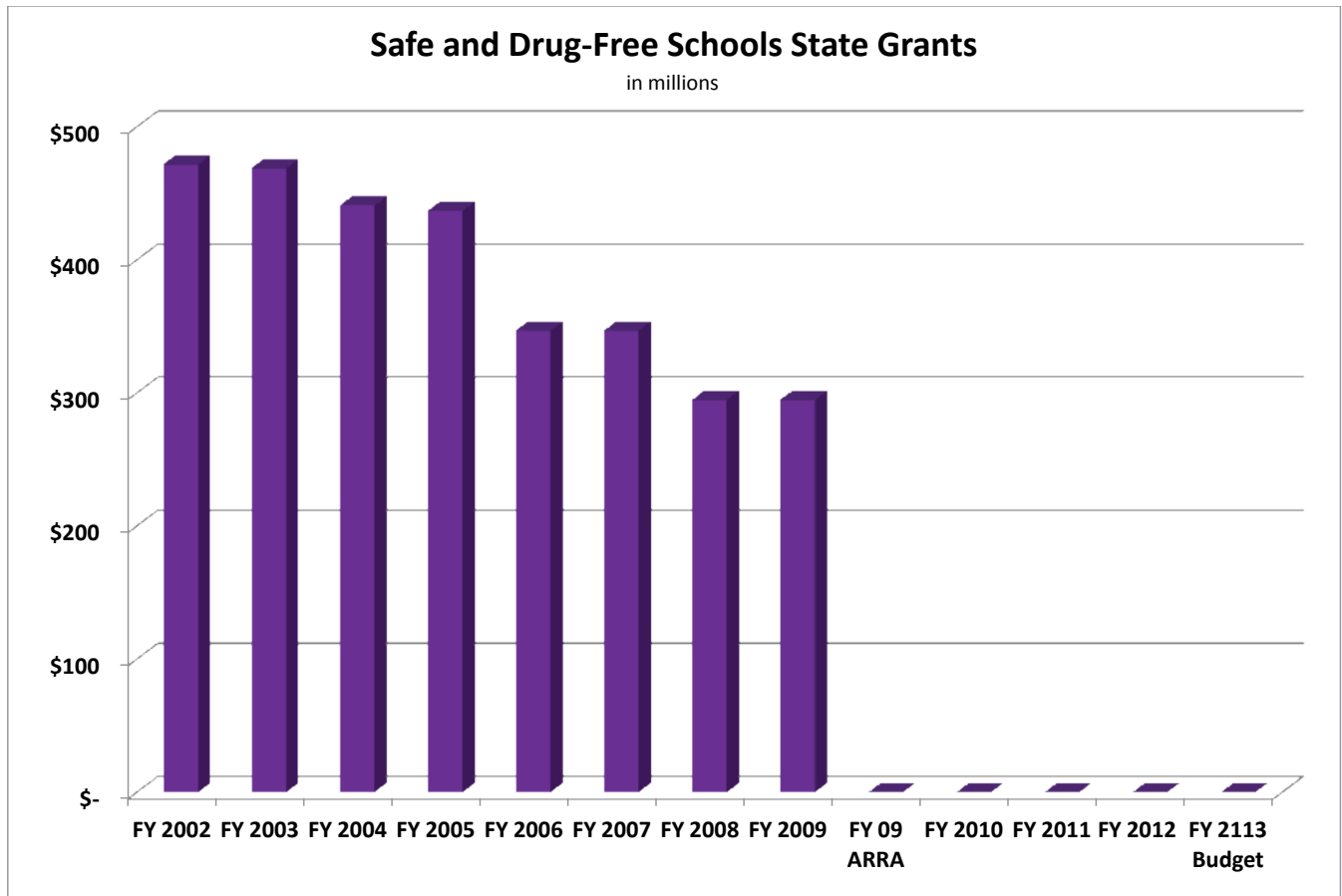
Description

The Safe and Drug-Free Schools and Communities Act (SDFSCA) currently includes a national discretionary grant program and funds for national programs focused on drug, violence, and hate crime prevention and school-based mental health services. Funds are used for State and local drug and violence prevention activities in grades K-12 and in institutions of higher education. Activities may be carried out by States and local school districts and by other public and private non-profit organizations.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$119.23	\$64.88	\$0*

*Funding for this program would be consolidated into the proposed "Successful, Safe, and Healthy Students" program.



Impact of President's Budget

The president's budget proposes to eliminate funding for specific programs under Title IV, Part A., combining these programs into a new funding stream called Successful, Safe and Healthy Students. The new program would include \$195.9 million to cover the programs of Title IV, Part A, as well as the Physical Education, Foundations for Learning, and Mental Health Integration programs. The overall impact of this budget proposal would be significant. Without congressional action on a reauthorization of the Elementary and Secondary Education Act, these programs have been eliminated, despite the fact no other similar federal programs are currently authorized or funded. Without dedicated funding available to States and local school districts to address these student needs, schools will have an increasingly difficult time maintaining current safety and prevention programs. Funds allocated for FY 2012 are available only to continue current grants. If the president's proposal is adopted, one of the few federal programs targeted to mental health services and prevention that improve school climate would be eliminated.

Impact of Sequestration

In addition to the continued cuts and grant eliminations, sequestration would result in further reductions to States and school districts for critical prevention services.

Program Need

States and school districts annually pay billions of dollars to address the results of substance abuse, school violence, and unaddressed mental health needs through local and State funding. Further, our schools and our nation pay additional costs in truancy, school dropout, and diminished academic success when these issues are not addressed. As such, the SDFSCA represents an important federal investment in successful prevention and intervention efforts. In order to ensure school districts are able to provide an appropriate level of support and safety for all students, funding for SDFSCA programs must be maintained and funded at no less than \$750 million.

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Elementary and Secondary School Counseling Program

Title V, Part D, Subpart 2, Elementary and Secondary Education Act

Duval County Public Schools in Jacksonville, Florida, have used the Elementary and Secondary School Counseling program grant funds to increase counseling services at four elementary schools by hiring school counselors, school psychologists and school social workers. This has allowed these schools to implement Project SELF – Social Emotional Learning Framework. They are using the Response to Intervention framework to deliver services to the total student body (2400 students). Tier I services and beyond have included delivering research-based curricula and providing much needed intensive counseling services in the areas of social skills and anger management.

Description

The Elementary and Secondary School Counseling Program (ESSCP) provides grants to school districts to establish or expand school counseling services. ESSCP is the only federal grant program providing funds to hire qualified school counselors, school social workers, and school psychologists. The goals of the program are to expand students' access to counseling services and ultimately to increase academic achievement and improve the climate for learning by addressing barriers to learning.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$52.40	\$52.30	\$0*

*Funding for this program would be consolidated into the proposed "Successful, Safe, and Healthy Students" program.

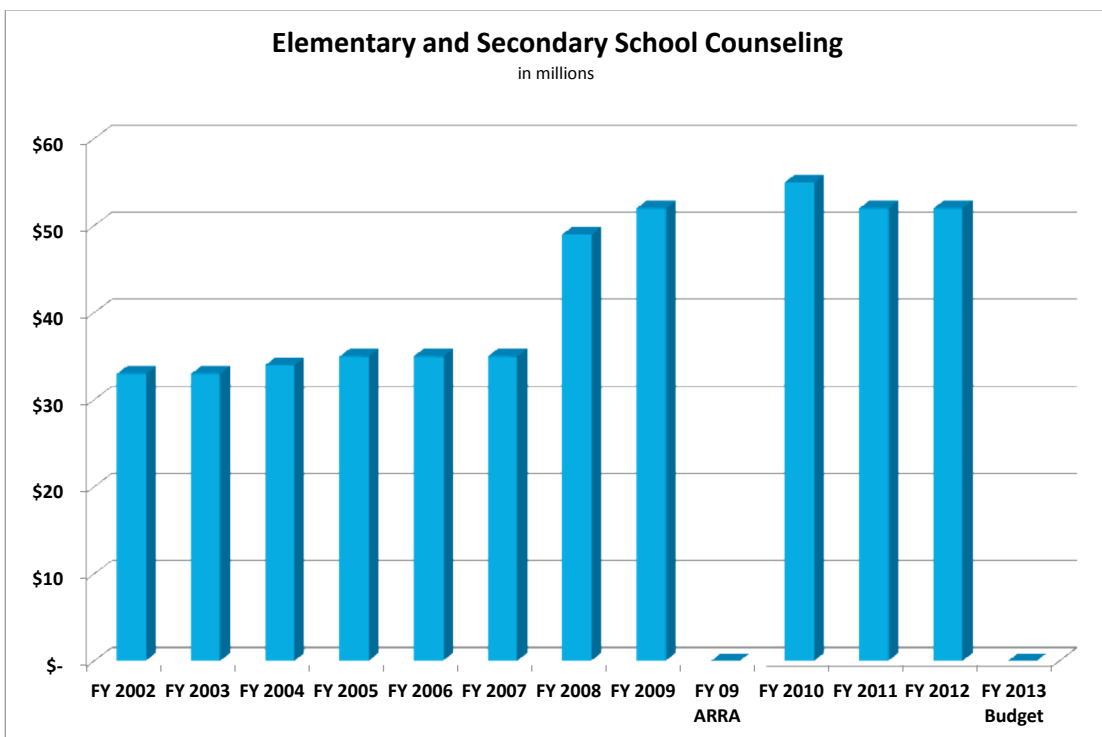


Impact of President’s Budget

The FY 2013 budget request shifts the ESSCP to a consolidated competitive grant, along with three other programs. This program has been growing steadily over the last several years in response to school districts’ needs to hire trained school-employed mental health professionals. Serious consideration must be given to whether program integrity can be maintained if this program is subsumed under a larger grant. It is unclear if the proposed consolidated program will prioritize the current ESSCP functions, which, if maintained, would enable school districts to continue to enhance and expand critically needed counseling services and the number of highly trained school-employed mental health professionals.

Impact of Sequestration

A 9.1 percent cut in ESSCP funding would result in a serious reduction in this very small program of \$4.76 million. School buildings will feel this in the loss of 60 or more school counselors, school psychologists and/or school social workers. The more devastating figure will be the minimum of 11,466 students that will lose services provided by these professionals.



The president’s FY 2013 budget proposes to consolidate Elementary and Secondary School Counseling into a new Successful, Safe and Healthy Students program funded at \$195.9 million

Program Need

The Department of Education consistently receives 10 times more applications for grants than available funds and, as a result, only requests new grant applications every two years. This significant demand suggests a critical need to maintain and increase program funding. Since FY 2008, grant funds have been available for students in grades K-12. Expansion into secondary schools allows middle and high school students to receive counseling services to support them to graduate and become productive citizens. Maintaining the ESSCP as a separate grant program and increasing funding to \$100 million will allow funding for secondary schools at a similar level as for elementary schools.

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Promise Neighborhoods

Title XIV, American Recovery and Reinvestment Act of 2009 (ARRA)

In Buffalo, New York, the Westminster Foundation led a collaborative group to apply and win a Promise Neighborhood grant. The goal is for all children and families to have access to a continuum of cradle-through-college-to-career solutions, with strong schools at the center supporting academic achievement, healthy development and neighborhood stability. Buffalo Promise Neighborhood works through three school communities, two PreK-8 charter schools, and a high school to engage residents and address neighborhood challenges.

Description

The Promise Neighborhoods initiative uses a comprehensive approach to improve academic achievement and developmental outcomes of children and youth in our most distressed communities. These projects would be designed to combat the effects of poverty and improve education and life outcomes from birth through college and/or career.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$29.94	\$59.89	\$100.00

Impact of President's Budget

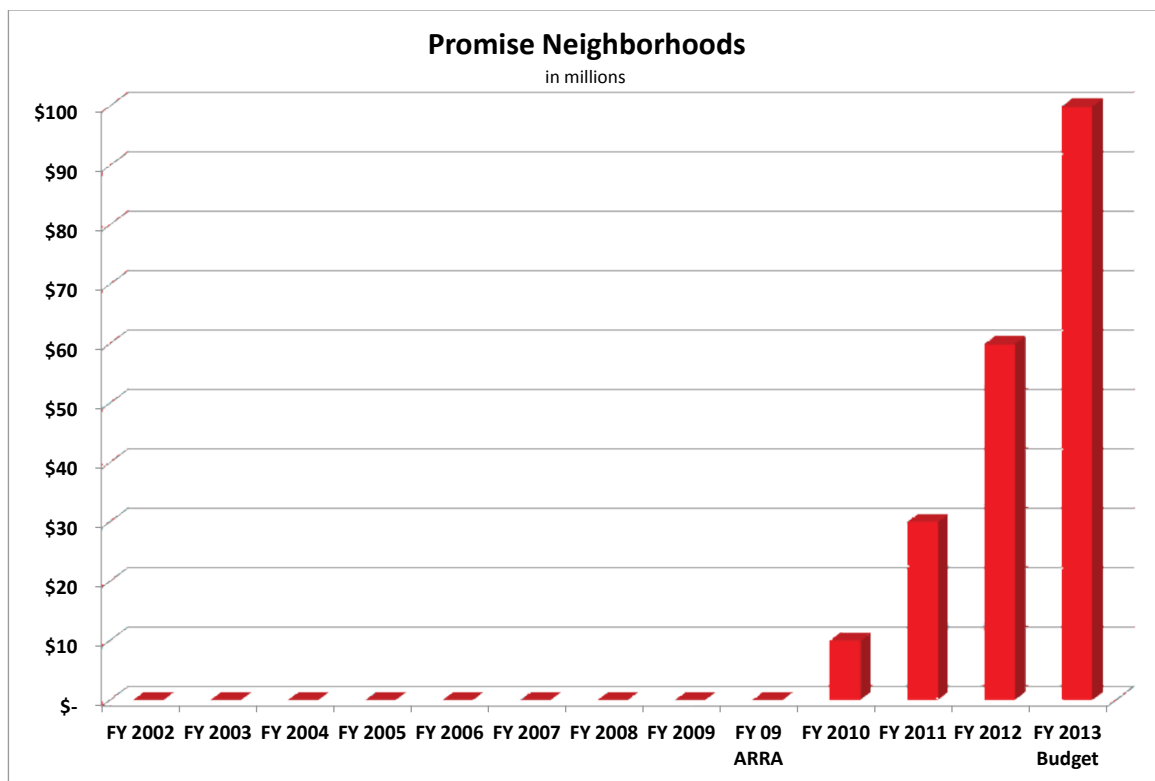
The president's budget requests a significant increase in funding for the Promise Neighborhoods initiative. This increase in funding will allow an expansion of planning and implementation grants supporting comprehensive services to students and communities across the country.

Program Need

Research has demonstrated that out of school factors have a significant impact on student achievement and outcomes. Despite this evidence, there is no organized national effort to help schools address these issues. All communities that struggle with issues of poverty, high unemployment, and low student achievement should receive the resources to create and implement initiatives like Promise Neighborhoods.

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Carol M. White Physical Education Program

Title V, Part D, Subpart 10, Elementary and Secondary Education Act

“Through the PEP grant, our district has been able to transform physical education in a way that reaches all learners. Whether a child is confident and skillful or is embarrassed and shy about physical activity, our program has provided instruction that infuses technology, brings differentiated teaching, and provides individualized feedback and assessment to all students. The grant has motivated teachers to become students of their profession and reignited their passion for promoting healthy, active lifestyles for children.”

—Judy LoBianco, South Orange-Maplewood School District, NJ

Description

As the only federal program dedicated to addressing physical education for elementary and secondary school students, the Carol M. White Physical Education Program (PEP) provides grants to schools, districts, and community-based organizations to help students meet State physical education standards. The PEP program funds the initiation, expansion, or improvement of physical education programs, including curriculum, equipment, and professional development for physical educators. According to many research studies, students who are more physically active have higher academic performance. Physical education provides the instruction, motivation, and opportunity for students to be physically active. Unfortunately, the average annual expenditure on physical education programs is only \$764 per school.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President’s Request</u>
\$78.84	\$78.69	\$0*

**Funding for this program would be consolidated into the proposed “Successful, Safe and Healthy Students” program.*

Impact of President’s Budget

The PEP program is the only federal education funding program designed to help students meet State physical education standards. It has been a successful program since its inception in 2001, despite attempts to reduce or eliminate its funding. In fact, Congress has chosen to fund PEP annually, awarding more than 1,000 grants valued at about \$700 million. Eliminating this dedicated funding stream, as proposed in the president’s budget, may result in the disappearance of the only federal investment in physical education and physical activity programs. This would be a grievous mistake as the country battles a childhood obesity epidemic and the exorbitant health care costs associated with it. Moreover, consolidating PEP with the other program elements in the Successful, Safe, and Healthy Students initiative is inappropriate, considering PEP addresses a curricular area and the other components do not.

Impact of Sequestration

If sequestration moves forward, current grant recipients will face significant cuts to their current programs and initiatives and be forced to inhibit their planning and purchase commitments. Many programs could face elimination in the middle of the school year.

Program Need

At the current funding level of \$78.69 million, the PEP program funds only 10 percent of the applications received by the Department of Education. Many of the awards are multi-year grants and require funding over two to three years. Although a significant increase in funding would serve thousands more students, keeping at least the current level of funding for FY 2013 would enable continued investments in physical education programs around the country, helping them become more relevant, accessible, and enjoyable.

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Language Acquisition Grants

Title III, Subpart 1, Elementary and Secondary Education Act

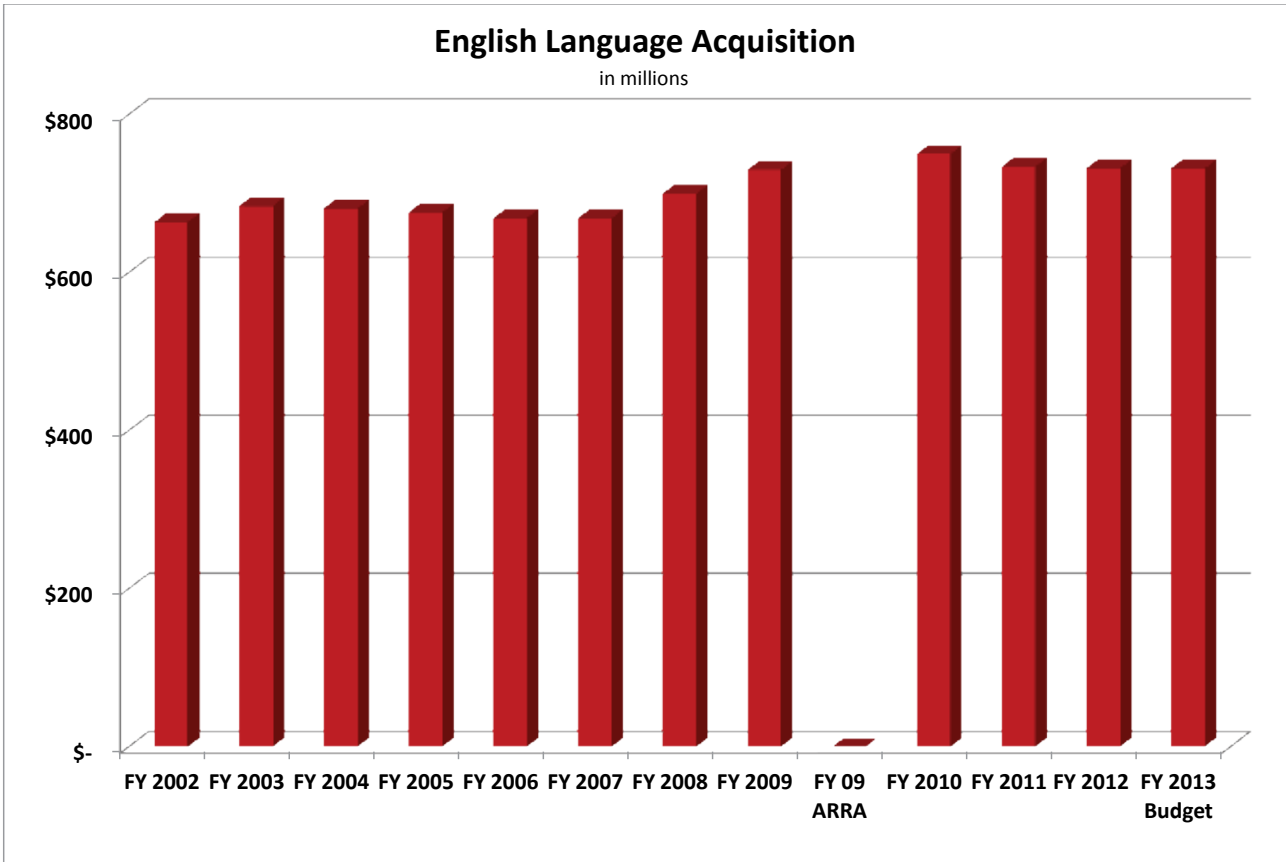
St. Paul Public Schools, where ELLs make up 36 percent of enrollment, have invested Title III funds in professional development efforts to strengthen collaborative practices of general education and ESL teachers providing grade level instruction for ELLs through team-teaching. Such professional development is extended to all adults who work with English Language Learners including principals and instructional assistants. St. Paul also has used Title III funds to develop its own instructional materials to strengthen the language of culture component of instruction and to familiarize teachers and staff with the various cultures of its student population. Over 62 percent of students in St. Paul speak Hmong, Karen, Vietnamese, or Cambodia, and 22 percent speak Spanish at home.

Description

Language Acquisition Grants are provided on a formula basis to improve instructional programs for English language learners (ELLs). These grants help ensure students develop academic English and high levels of academic achievement to meet the same challenging State content and performance standards as their English proficient peers. The program assists States, school districts, and institutions of higher education in building capacity to more effectively teach ELL students, through efforts including upgrading curricula and providing teacher training opportunities.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$733.53	\$732.14	\$732.14



Impact of President's Budget

The president's FY 2013 budget request maintains funding at \$732.14 million. The latest reported estimate of ELL enrollment is 5.3 million for the 2007-08 school year, representing a 53 percent increase over the ELL enrollment in 1997-98. This increase far outpaces the increase in general enrollment, which was 8.5 percent during the same 10-year period. Using the 2007-08 ELL estimate, FY 2012 funding would provide about \$138 per ELL. An ELL enrollment projection using the rate of increase for the last three years of the 2007-08 estimate (4.8 percent from 2005-06 to 2007-08) would result in 5.6 million ELLs in 2011-12, reducing the FY 2012 per pupil amount to \$131. The president's budget request freezes Title III funding at a time of continuing growth of ELL enrollment and increased instructional demands related to the Common Core State Standards. This request represents a serious erosion of funding to support instruction for ELLs.

Impact of Sequestration

A \$57 million cut to the Title III budget would reduce the funding allocation to \$121 per student. If grant allocations remain at \$131 per ELL, an estimated 437,000 ELLs would experience a serious reduction in Title III-funded language support services they currently receive. The \$57 million cut would reduce Title III funding to \$675 million—a level that is only \$10 million above the funding provided a decade ago in FY 2002.

Program Need

Wide gaps continue to exist between ELLs and their English-fluent peers. The 2009 NAEP reading results indicate 30 percent of fourth-grade ELLs scored at or above the basic achievement level in reading compared to 69 percent of non-ELL students, identical to the 2007 NAEP reading results for fourth-grade ELLs. Moreover, the 2009 NAEP reading results indicate the number of eighth-grade ELL students scoring at or above the basic level in reading dropped from 30 percent in 2007 to 26 percent in 2009 compared to the number of non-ELL students, which increased from 74 percent in 2007 to 75 percent in 2009. The 2009 NAEP mathematics results indicate 57 percent of fourth-grade ELLs scored at or above the basic level compared to 84 percent of the non-ELL students. The persistent achievement gaps and growing enrollment of ELLs signal a continued need for Title III funding.

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IDEA State Grants

Part B, Individuals with Disabilities Education Act (IDEA)

Adam spent most of his time in school believing he did not have much of a future. A severe learning disability combined with low self-esteem led him to doubt he would be able to go to college or pursue a meaningful career. But in the challenging and supportive academic environment in his local high school made available through IDEA Part B funds, Adam became an outstanding student, compiling a 3.75 grade point average. Adam attended college and graduated with honors in 2003. Since graduation Adam has become the head of his own real estate investment company. He is also recognized across the country as an advocate for people with disabilities. Adam has facilitated workshops, delivered keynote presentations, and spoken to thousands of students, teachers, and service providers about his experiences.

Description

The IDEA State Grant program (Part B) was established to assist State and local school district efforts to educate children and youth with disabilities by implementing, expanding, and improving access to high quality special education and related services.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$11,465.96	\$11,577.86	\$11,577.86



Impact of President's Budget

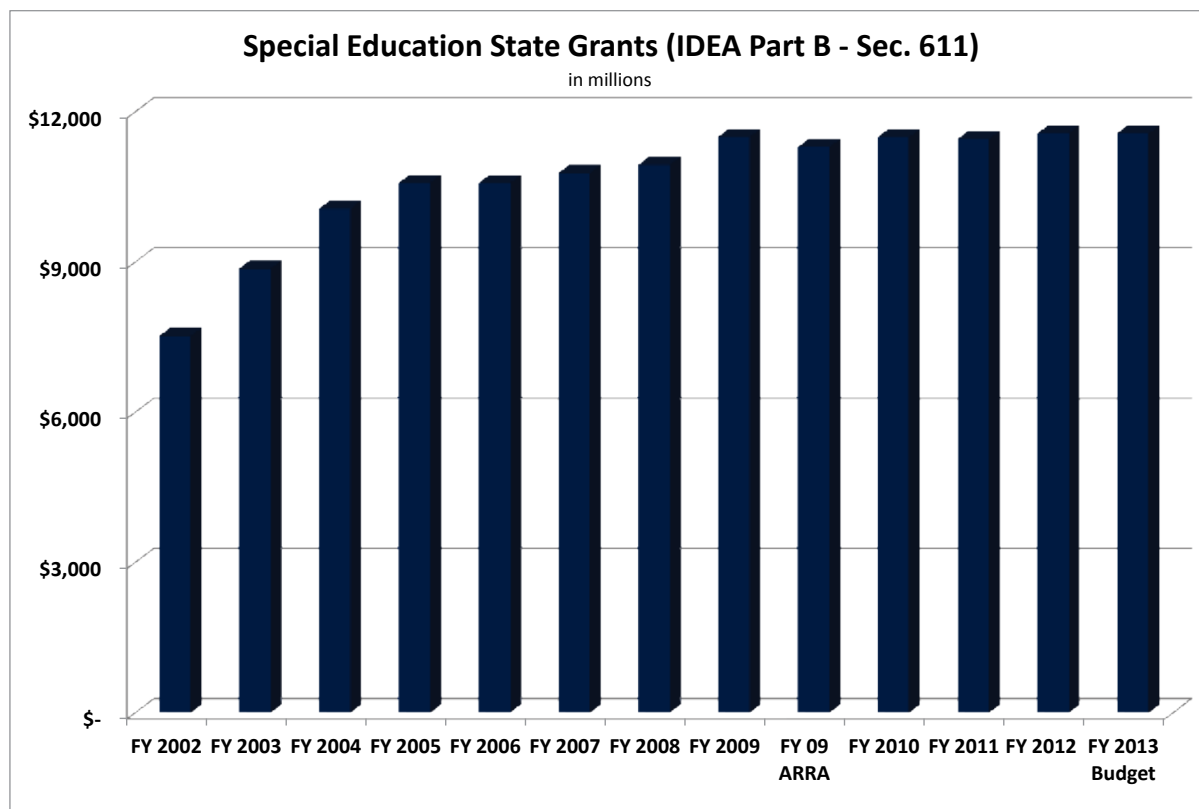
The Administration's budget request for IDEA Part B would freeze funding for the program and decrease the federal contribution to 15.8 percent of the national average per pupil expenditure. While Congress has never met the promised amount of 40 percent, the proposed funding level represents a serious low. This funding level fails to provide meaningful federal assistance to States especially in this time of high need. The president's request for Part B fails to account for the steep funding cliffs schools and districts faced at the termination of stimulus (ARRA) funds and also ignores the current fiscal crisis. Under the law, States are obligated to serve children and youth with disabilities. The Administration's request also ignores the incremental glide path Congress passed in IDEA 2004 as a means to attaining full federal funding of IDEA. Limiting funding for the IDEA places schools and districts in an almost untenable position. If this request is enacted, they will face serious struggles to meet their obligations given the dire straits of current State budgets.

Impact of Sequestration

The effects of sequestration will be devastating. Using the Congressional Budget Office's figures, IDEA Part B funds will be cut by at least \$903 million dollars. This loss will be directly felt by close to 500,000 students and families, and over 12,000 jobs will be lost. Without these critical federal dollars, the ability of States and districts to provide needed services will be severely compromised.

Program Need

When the IDEA was enacted in 1975, Congress acknowledged the cost of educating a student with disabilities as approximately twice that of educating students who do not receive special education services. When the law was passed, Congress pledged to pay 40 percent of the excess costs for students receiving IDEA services. Unfortunately over the last three decades, the federal government has never fulfilled its fiscal pledge, leaving States and localities to bear the burden of paying the shortfall. In the 2004 reauthorization of the IDEA, Congress included an incremental glide path as a means to attaining full federal funding. The shortfall between what IDEA 2004 promised and what the president's budget proposes would continue to widen this gap.



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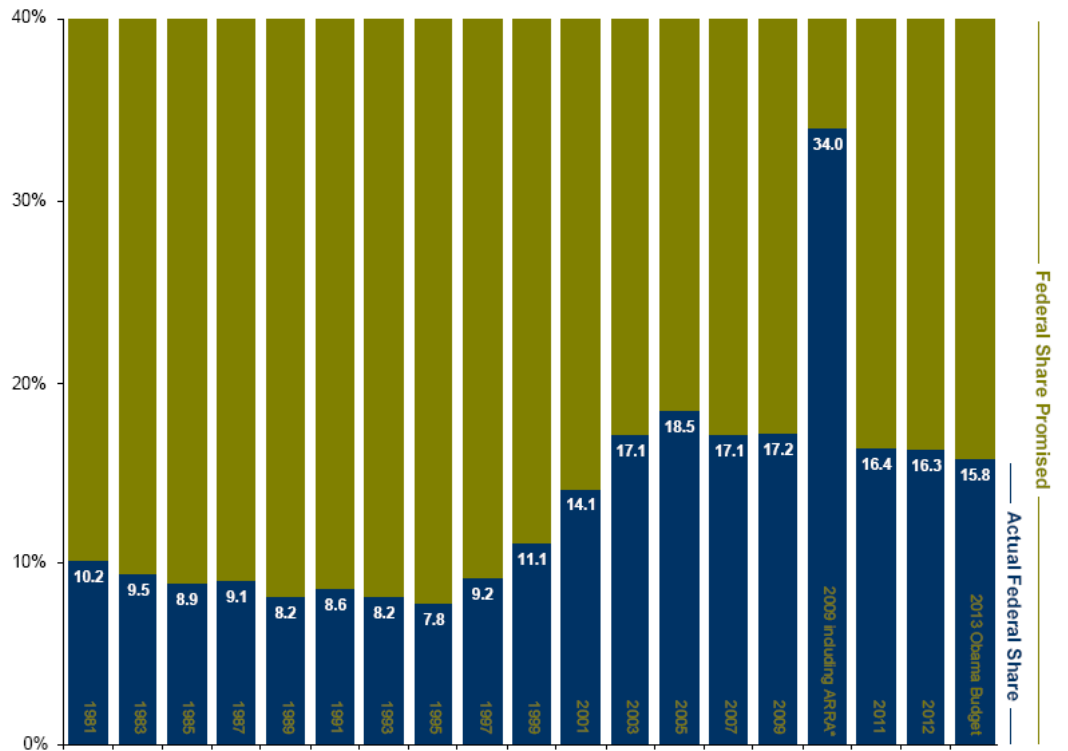


IDEA Full Funding

Federal Share Promised in the Law vs. Actual Share, Selected Fiscal Years 1981-2013



The assumption underlying the Individuals with Disabilities Education Act (IDEA) and its predecessor legislation is that, on average, the cost of educating children with disabilities is twice the average cost (measured as the national average per pupil expenditure or APPE) of educating other children. Congress determined that the federal government would pay up to 40 percent of this "excess" cost, which is referred to as full funding. Since 1981, the first year for which full funding was 40 percent of APPE, the federal payment has remained less than half of the federal promise (excluding one-time ARRA* funds in 2009).

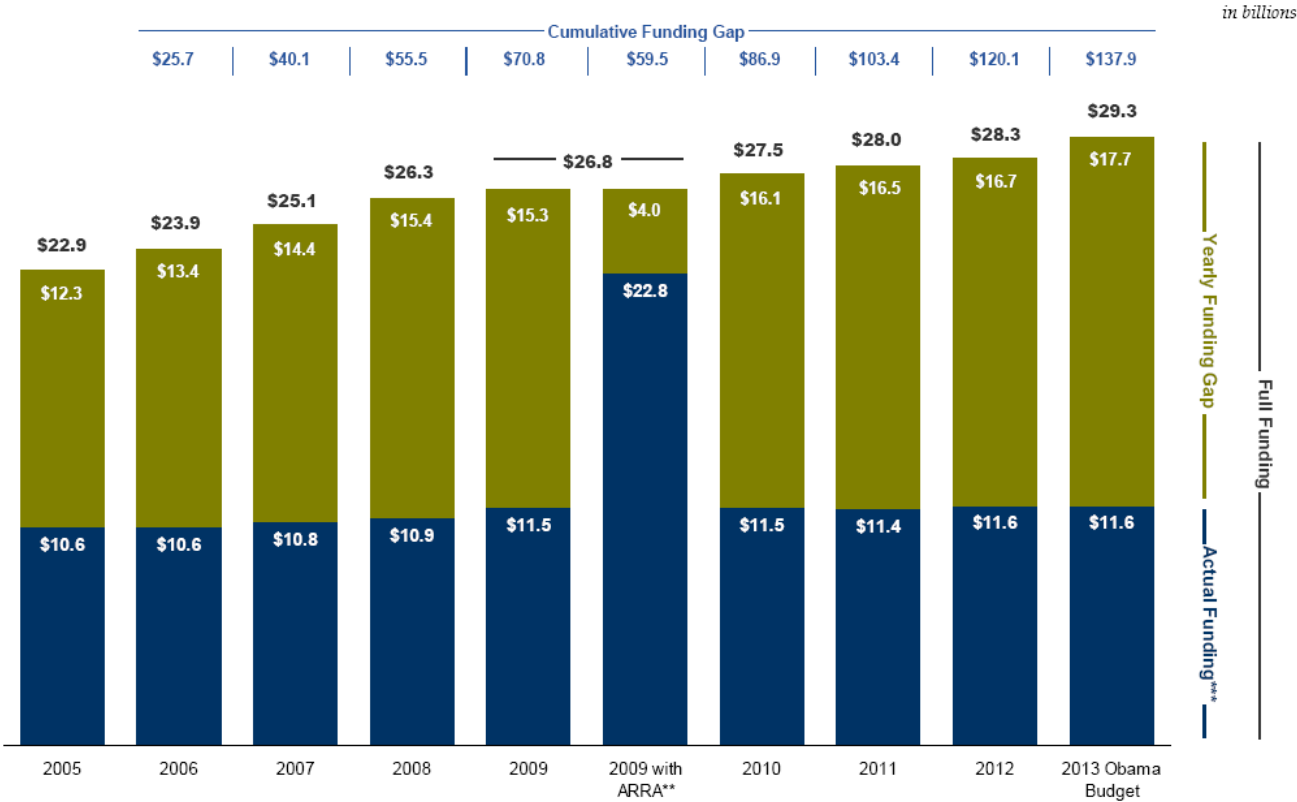


* American Recovery & Reinvestment Act (ARRA) of 2009. Source: U.S. Department of Education and Congressional Research Service. The federal share is calculated from appropriations for Special Education Grants to States (IDEA Part B-611), excluding amounts available for studies and evaluations or technical assistance as applicable. For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. As of February 13, 2012.



IDEA Funding Gap

Full Funding* vs. Funding Actually Received, FY 2005-13



* Represents 40 percent of the excess cost of educating students with disabilities. **American Recovery & Reinvestment Act (ARRA) of 2009 provided \$11.3 billion for Special Education Grants to States. *** Excludes technical assistance. Source: U.S. Department of Education based on Special Education Grants to States (IDEA Part B-611). For more information, contact Tom Zembar at 202.822.7109 or TZembar@nea.org. As of February 13, 2012.

IDEA Preschool Program

Section 619, Part B, Individuals with Disabilities Education Act (IDEA)

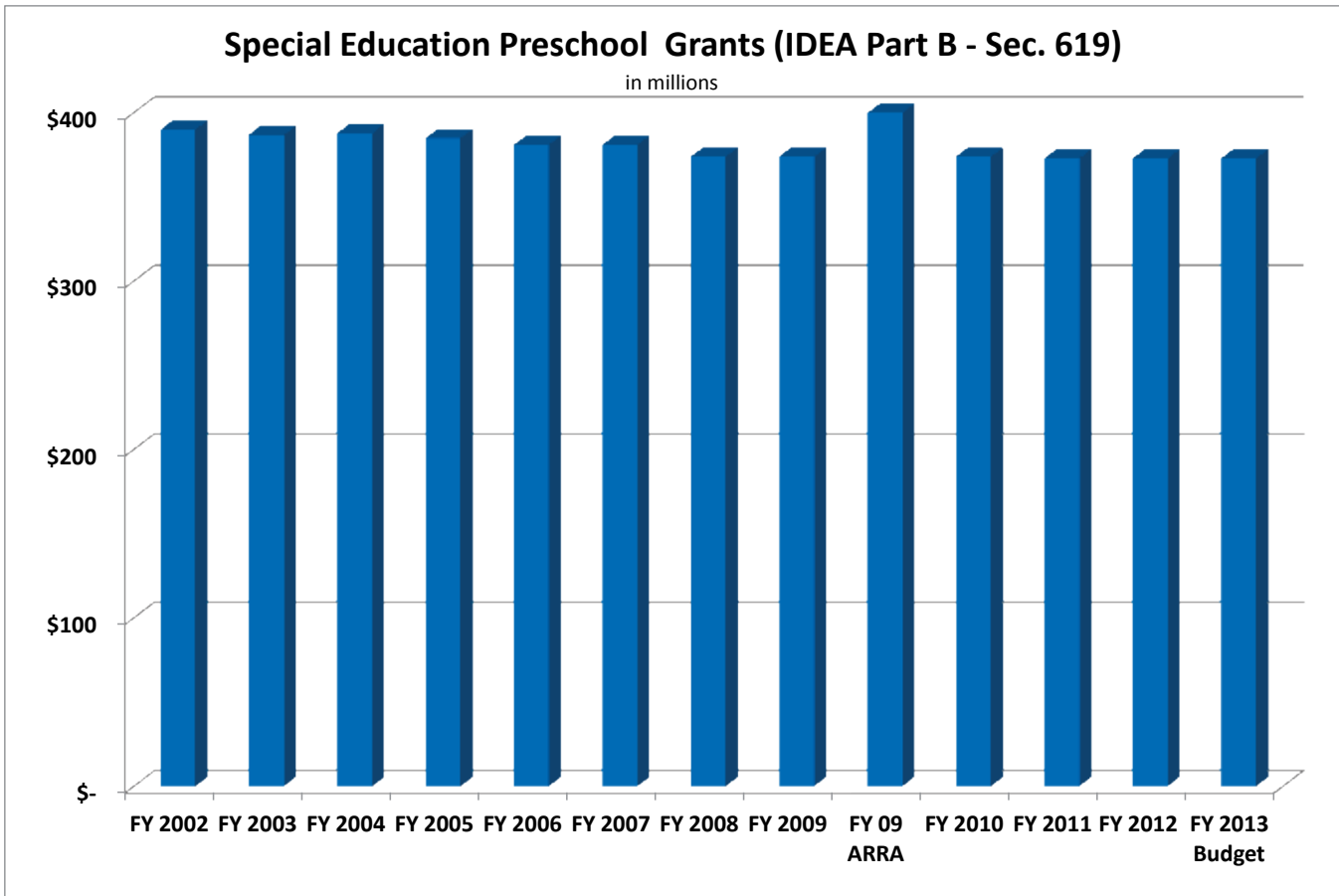
Justice Coleman is a 6-year-old student in an Inclusive Placement Opportunities for Preschoolers classroom at Kenneth Culbert Elementary School in Loudoun County, Virginia. IPOP is a preschool program that fosters appropriate communication, social skills, motor skills, and cognitive skills in an inclusive setting, serving students with delays or special needs in classes with students who are typically developing. Justice is a student with significant developmental delays including cerebral palsy, laryngeal malacia, tracheal malacia, vision and hearing impairments, and agenesis of the corpus callosum. She began receiving services shortly after birth through Early Intervention (EI), including physical, occupational, and vision therapies. IDEA has provided part of the funding for these supports and services carefully crafted specifically for Justice to help her develop skills and form the foundation of her education. Including her with typically developing children who believe in her and the support of amazing professional staff have been highly motivating and encouraging. These federal funds are imperative to implement the Least Restrictive Environments for our students who are at an age where peers are not as easily available for inclusion.

Description

IDEA Preschool Grants are intended to assist States and local school districts to ensure preschool children with disabilities (ages 3-5) are identified early and receive a free appropriate public education (FAPE). In addition, the federal contribution to preschool special education for States and local school districts facilitates the continuity of services for children with disabilities transitioning to school from the Infant and Toddler program (Part C, ages birth-2) and is an important part of State and community efforts for early intervention.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$373.35	\$372.65	\$372.65



Impact of President's Budget

The Administration's request to freeze funding for the IDEA Preschool Grants program is consistent with a pattern of cuts and freezes dating back to FY 2000, equating to a nearly \$20 million cut from this program. Unfortunately, the Administration's budget fails to recognize the great fiscal pressure on States and local school districts to provide these services.

Impact of Sequestration

If sequestration is enacted, a 9.1 percent cut would reduce funding to this program by \$29.1 million. Close to 400 jobs around the nation will be eliminated, and almost 60,000 children and families will feel the loss. Additionally, children and families will sustain these losses at a time when they are poised to benefit most from the services. Losing services at this time will reduce the return on investment these services provide over a child's lifetime and thus increase later costs.

Program Need

The amount available per child has decreased every year since 1992, not including ARRA funding, as the number of eligible children has increased. Congress should provide funding to meet its original promise to fully fund the Preschool Program by providing an allocation which will assist States and local districts to provide high quality services to all eligible children.

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IDEA Infants and Toddlers with Disabilities

Part C, Individuals with Disabilities Education Act (IDEA)

Nineteen-month-old Sean Acker is enrolled in the Barber National Institute Bright Beginning Early Intervention program in northwestern Pennsylvania. Sean is diagnosed with Congenital Fiber-Type Disproportion Myopathy, characterized by decreased muscle tone and generalized muscle weakness. Sean was referred for Early Intervention when he was just two months old. He was unable to hold his head up in any position, the family was having difficulty feeding him, and there were other concerns. Sean receives physical and occupational therapies in his home. Since beginning therapy, Sean is now growing steadily and getting stronger. Like other toddlers his age, he is able to walk independently in the house and enjoys riding his ride-on toy. He continues to receive physical therapy to help him gain more strength and skills so that he will be able to play in the yard with his brothers. Continued funding for Early Intervention programs will give children like Sean the help they need to achieve the best possible outcomes as they continue to grow and will decrease the need for more intensive services over time.

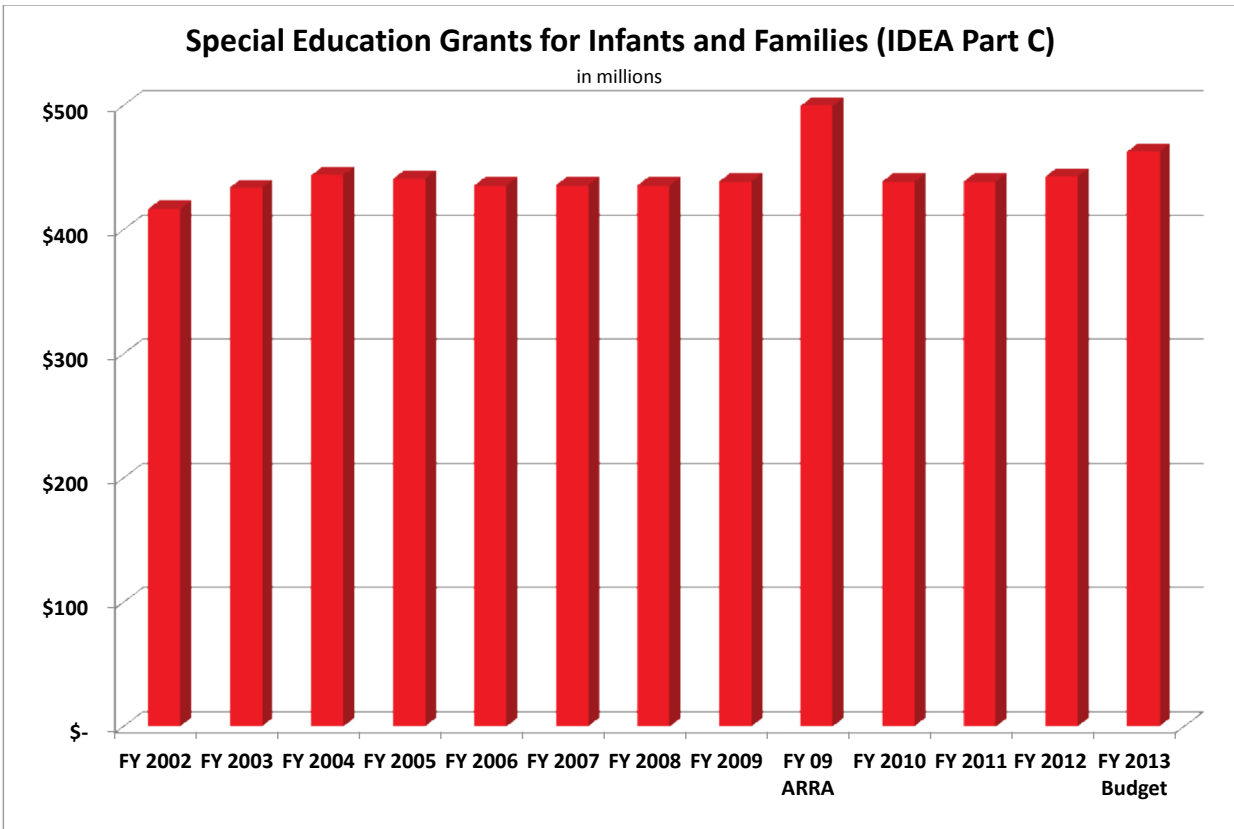
Description

IDEA Part C, the Infants and Toddlers with Disabilities program, serves children ages birth through two years and their families. The program provides formula grants to States to develop and implement a statewide comprehensive multidisciplinary interagency system that provides early intervention services. This essential program helps State and local agencies identify and serve children with disabilities early in life when interventions can be most effective in improving educational outcomes.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$438.55	\$442.71	\$462.71





Impact of President's Budget

The increase in the president's budget would be a welcome boost for early intervention. Because of mounting fiscal pressure over the last two decades, States have narrowed the eligibility requirements for this voluntary program. This proposed funding level will help to address the needs of approximately 330,000 infants and toddlers with disabilities throughout the country who currently require these services.

Impact of Sequestration

If sequestration occurs, this program will be cut by \$34.2 million. This 9.1 percent cut will cause waiting lists to increase and States will be forced to further narrow eligibility requirements. Thousands of children who should receive services will very likely be denied them. Over 400 jobs around the nation will be eliminated, and almost 26,000 children and families will feel the loss. Additionally, children and families will sustain these losses at a time when they are poised to benefit most from the services. Losing services at this time will reduce the return on investment that these services provide over a child's lifetime and thus increase later costs.

Program Need

Congress enacted this program after determining there was an urgent and substantial need to provide the earliest intervention for infants who are developmentally delayed or at risk. Over the years since it has been enacted, many studies have demonstrated these services are among the most effective in helping students with disabilities attain favorable educational outcomes. Congress must provide enough funds to ensure all eligible infants and toddlers and their families receive the services they need.

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IDEA National Programs

Part D, Individuals with Disabilities Education Act (IDEA)

The Georgia State department of education has utilized its state personnel development grant (SPDG) to reduce dropout. Georgia's SPDG identified more than 140 middle and high school graduate FIRST teams, comprised of special and general education teachers, administrators, and support staff across the State focused on reducing dropout and increasing the graduation rate for students with disabilities and those at risk of dropping out. These teams were trained to perform detailed data digs and analyses to determine the areas of focus that would result in positive changes for students.

Description

These competitive grant programs focus on key areas to help the field improve its research base and practice. Areas of focus include professional development and supporting personnel preparation, parent information centers, technical assistance, demonstration programs, dissemination of information, and technology development and media services. These critical programs help improve the field's understanding of special education pedagogy and use of evidence based strategies. Funds help to train leaders in the field and connect families to important information and resources to assist their children.

Funding History (in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
State Personnel Development	\$46.85	\$43.92	\$45.01
Technical Assistance and Dissemination	\$48.81	\$46.78	\$46.78
Personnel Preparation	\$88.47	\$88.30	\$85.80
Parent Information Centers	\$27.97	\$28.92	\$28.92
Technology and Media Centers	\$28.64	\$29.59	\$29.59
Special Olympics Education Programs	\$ 8.08	\$ 8.00	\$ 8.00

Impact of President's Budget

The Administration's FY 2013 budget provides a basic level of commitment to Part D programs. These programs provide the infrastructure for practice improvements for special education services and supports to children and families. Except for modest increases, the budget effectively recommends a freeze in funding for these programs. Over the past five years most of these programs have seen only slight gains or have been subject to across-the-board cuts. Thus, funding has not even kept pace with inflation despite the critical needs these programs serve as the foundation for the IDEA. This budget also fails to invest in the infrastructure needed to maintain and provide high quality research and evidence based practices.

Impact of Sequestration

A 9.1 percent cut to these programs would result in a loss of approximately \$22 million. This will impact the field and children and youth with disabilities for years to come. These programs support professionals and help to grow our nation's ability to serve students effectively. They help disseminate evidence based practices to the field and help parents access services for their children.

Program Need

While these programs represent less than 1 percent of the national expenditure for educating students with disabilities, they provide an infrastructure of practice improvements that support the implementation of IDEA. They also provide funding for personnel development. Programs fund more than 50 technical assistance and dissemination centers, higher education personnel preparation programs to prepare highly qualified special education personnel, parent centers to provide assistance to parents in all 50 states, technology and media centers, and Special Olympics education programs. Together these programs provide the necessary training and support for delivery of special education services to infants and toddlers, preschoolers, and youth with disabilities. In order to better serve this population, it is imperative Congress provide more funding for Part D of IDEA.



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Smaller Learning Communities

Title V, Part D, Subpart 4, Elementary and Secondary Education Act

Lucy Beckham, the 2010 MetLife/NASSP National High School Principal of the Year, is the principal of Wando High School in Mt. Pleasant, South Carolina. With over 3,200 students, Wando is more akin to a small city than a school. After receiving a grant under the SLC program in 2004, the building was divided into five smaller learning communities (a ninth-grade academy and four career-related academies), creating opportunities for personal connections and an education tailored to students' career and educational aspirations. Many of these programs have earned national recognition, and recent data show significant increases in student State reading and math scores.

Description

The Smaller Learning Communities program supports school districts and large schools in the development, implementation, and expansion of more effective and personalized learning environments by actually reducing the size of schools and by creating “schools within schools.”

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$88.00	\$0	\$0

Impact of President's Budget

The Administration does not restore funding for the Smaller Learning Communities program in its FY 2013 budget request. Failure to provide a dedicated funding stream for this program puts at risk the increased personalization and support students in large public high schools of 1,000 or more students receive. With funding for this program, schools are able to provide the following services as cited by the U.S. Department of Education: “Freshman academies, multi-grade academies organized around career interests or other themes, ‘houses’ in which small groups of students remain together throughout high school, and autonomous schools-within-a-school, as well as personalization strategies, such as student advisories, family advocate systems, and mentoring programs.” Without funding for the Smaller Learning Communities program, schools most likely will not be able to create or sustain these structures in large high schools given competing funding needs. The FY 2013 budget should maintain a dedicated funding stream exclusively for the program to ensure students in high schools with large student populations who might “slip through the cracks” receive the individualized attention and support to help them graduate and feel prepared for post-secondary college and careers.

Program Need

The Smaller Learning Communities program is one of the few federal programs specifically targeted to support secondary school improvement. Research indicates approximately 70 percent of American high school students attend schools with enrollments of 1,000 or more, and nearly 50 percent attend schools with more than 1,500 students. Personalization is the key to higher student achievement, and children and youth attending smaller schools have higher attendance rates and are more likely to post higher test scores, pass courses, and graduate from high school. A funding level of \$93.5 million is needed to expand the program to a level more commensurate with current needs. The elimination of funding in FY 2013 will significantly hurt schools such as Ms. Beckham's already implementing smaller learning communities and will deny large schools desperately in need of more personalized environments the ability to create smaller learning communities.

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School Renovation and Modernization

American Recovery and Reinvestment Act (ARRA) of 2009 (P.L. 111-5) Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 (P.L. 111-312) American Jobs Act (Proposed)

San Diego Unified School District was the first school district in the nation to utilize the interest-free QSCBs authorized under ARRA. The district's QSCB allocation of \$38.8 million was included as part of San Diego's larger capital improvement program, and was used for repairing outdated student restrooms and deteriorated plumbing and roofs, as well as for upgrading career and vocational classrooms and labs. In addition, the funding will be used to update classroom technology, improve school safety and security and upgrade fire alarms, replace dilapidated portable classroom, and remove hazardous substances. The district realized savings of approximately \$20 million as a result of the federal bonding authority and will use the funds to make additional technology investments that would otherwise have been delayed until money was available.

Description

The Qualified School Construction Bond (QSCB) and Qualified Zone Academy Bond (QZAB) programs help States and school districts address the challenges they face in modernizing aging schools. Entities issuing federal school construction bonds receive interest-free bonding authority that can be used for specific infrastructure and instructional improvements, including enhancing building safety, expanding facilities to allow for smaller class size, and increasing access to learning technologies. QSCBs offer additional benefits and can be used for new construction and land acquisition. ARRA authorized QSCB and QZAB bondholders to receive a federal tax credit in lieu of interest payments, but the Hiring Incentives to Restore Employment (HIRE) Act of 2010 (P.L. 111-147) amended the Internal Revenue Code, allowing issuers the option of issuing the QSCBs and QZABs as specified tax credit bonds with a direct-pay subsidy.

Funding History* (in millions)

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Qualified Zone Academy Bonds	\$400.00	\$4,000.00	\$4,000.00
Qualified School Construction Bonds	\$0	\$0	\$0

**The school construction bonding provisions are authorized and funded through tax legislation, and not federal appropriations.*

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
School Modernization	\$0	\$30,000.00*	\$0

**The president's budget would provide this \$30 billion in FY 2012.*

Impact of President's Budget

The QSCB and QZAB programs operate according to calendar years rather than federal fiscal years. ARRA authorized QSCBs for the first time, while extending and expanding QZAB authorization, both for 2009 and 2010. A one-year extension for the QZAB program for 2011 was authorized by Congress under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. While additional bonding authority for QSCBs was not included in the president's budget request for FY 2013, the budget proposes to extend through the end of 2012 certain expiring tax provisions, including QZABs. Another option for school districts may be the Build America Bonds (BABs). BABs – taxable bonds with a 35 percent interest subsidy rate from the Treasury Department – were originally authorized under the American Recovery and Reinvestment Act, but expired at the end of 2010. The president's FY 2013 budget request calls for a permanent extension of the Build America Bonds and may be used by a wide range of government and municipal entities, including school districts.

The president's budget request continues to advocate for additional funding proposed in last year's American Jobs Act, which includes \$30 billion in mandatory funds for school modernization grants for school districts and community colleges. Of this amount, \$25 billion would be for public school building modernization. Funds would be distributed by formula, with 40 percent allocated directly to the 100 districts with the largest number of children in poverty. These funds would modernize as many as 35,000 school buildings. The remaining \$5 billion would be provided to upgrade community college facilities.

Legislation based on this proposal, the Fix America's Schools Today (FAST) Act, was introduced by Senator Brown, D-OH (S. 1597) and Representative DeLauro, D-CT (HR 2948).

Continuous federal investment in school modernization is necessary to address a recognized and established local need and will help more students receive a high-quality education in safe and well-equipped buildings.



Impact of Sequestration

Federal bond programs for school modernization operate by calendar year through tax legislation and are not impacted by spending cuts which occur through sequestration. The impact of sequestration on the mandatory funds for school modernization is unclear, since these funds have not yet been approved by Congress. If they were to be enacted as FY 2012 funds, they would likely be exempt from sequestration.

Program Need

The federal school bond programs help States and local school districts make progress in addressing their facility challenges, but the amount of bonding authority approved for QSCBs and QZABs in ARRA and the Tax Relief Act of 2010 falls well short of existing needs. A 2011 survey of urban school districts found that these systems need approximately \$20.1 billion in new construction, \$61.4 billion in repair, renovation, and modernization, and \$19.0 billion in deferred maintenance costs, or some \$100.5 billion in total facilities needs, while other studies estimate a nationwide need closer to \$300 billion. Additional federal investment in school modernization programs will help ensure all children attend modern safe schools. Funds for school modernization would not only improve student learning but would also put hundreds of thousands of Americans in the construction industry back to work.

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American Jobs Act

Recognizing Educational Success, Professional Excellence, and Collaborative Teaching (RESPECT)

Description

The new RESPECT program will provide support for pioneering innovations in the way the nation recruits, selects, prepares, credentials, supports, advances, and compensates teachers and school leaders. The program envisions a school model and culture based on shared responsibility and ongoing collaboration, marked by dramatic increases in professional opportunities for teachers. The program also seeks to ensure the presence of principals who are fully engaged in the instructional process of the school and who share leadership with accomplished educators. Funds would be awarded competitively to States with participating districts, and, in non-participating States, to consortia of districts.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
—	—	\$5,000.00

Program Need

Recruiting talented and committed future educators and providing substantive, high-quality preparation for them is essential to ensuring quality schools. The RESPECT program includes support for career pathways, expanded teacher leadership roles, aligned professional development, and time for collaboration, as well as greater autonomy. The current environment requires educators to have a wide range of skills and strategies to keep students engaged and learning. The systemic approach outlined in RESPECT represents the kind of thinking that will improve our public schools, making them all exceptional institutions of learning for all students.

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American Jobs Act

Education Jobs Fund of 2012

Description

This new program, proposed at \$25 billion in mandatory funding under the American Jobs Act, would support formula grants to States to retain, rehire, and hire educators.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
—	\$25,000.00	—

Impact of President's Budget

Providing States and districts these funds will help prevent further layoffs and allow thousands more to be hired or rehired. The president's plan will more than offset projected layoffs, providing support for nearly 400,000 education jobs— enough for States to avoid harmful layoffs and rehire tens of thousands of teachers and other educators who lost their jobs over the past three years. Without these funds, services to students will be cut back, resulting in larger class sizes, further narrowing of the curriculum, and curtailing of afterschool and other vital support services for students.

Program Need

The proposed funding would provide a much needed boost to States and local school districts, many of which continue to battle increasingly tight, and shrinking, operating budgets. In the past three years, there has been a reduction of almost 250,000 teacher and other educator jobs in our public schools. These dollars are crucial to maintaining and developing the educator workforce, keeping teachers in the classroom, supporting those already there, and hiring new staff. Not only will these funds improve student learning, but they will help create jobs and improve the economy.

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Part II: Education, Careers and Lifelong Learning

The Carl D. Perkins Career and Technical Education Act

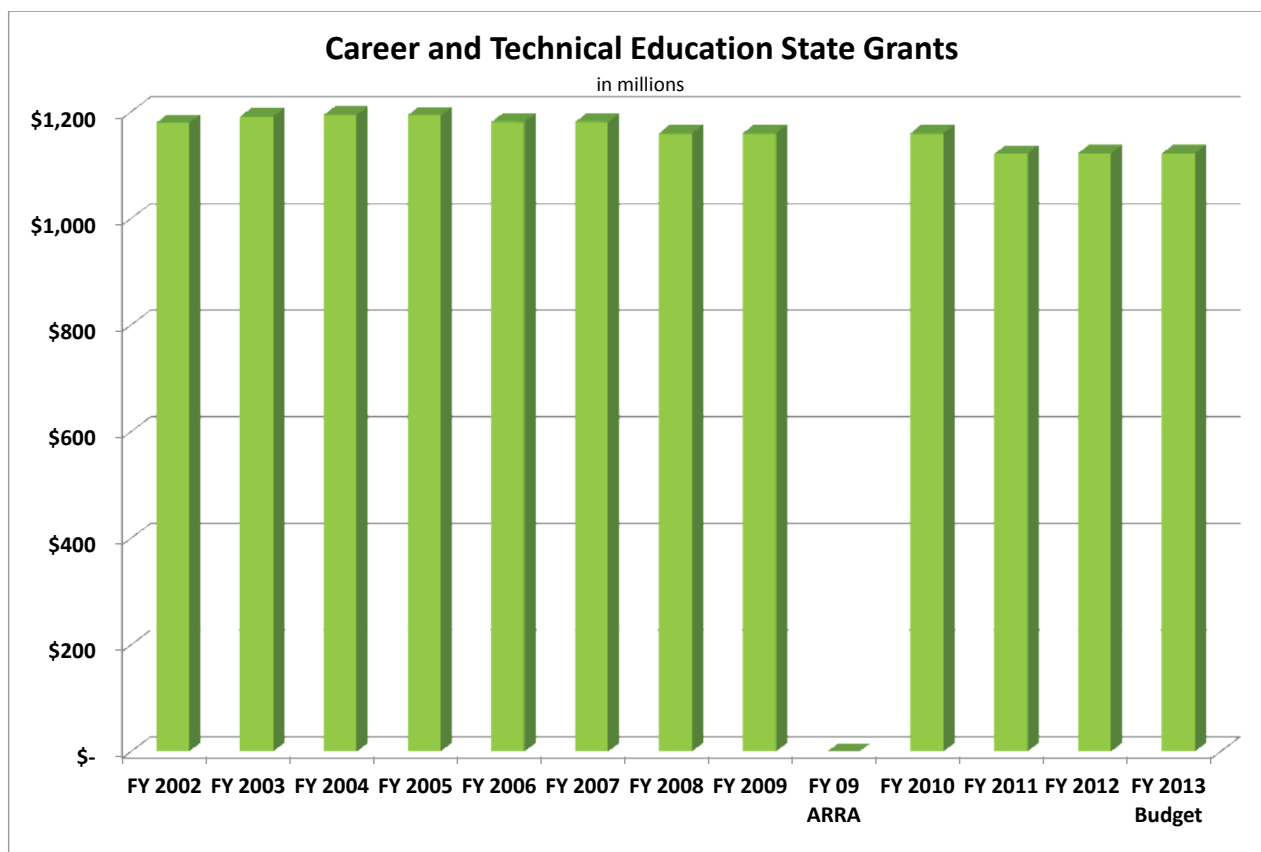
With help from the Perkins Basic State Grants, Sam Jones of Greenwood, Arkansas, earned an associate degree a week before he graduated from high school. The Western Arkansas Technical Center at the University of Arkansas (UA)-Fort Smith encourages students to enroll in college classes while still in high school. Sam took this excellent opportunity to get his Associate of Applied Science degree in General Technology through evening and summer classes during the 10th and 11th grades. With Perkins Basic State Grant funding, Sam is now enrolled full time at UA-Fort Smith pursuing two more degrees, an Associate of Applied Science degree in computer-aided drafting and design and a bachelor's degree in mechanical engineering.

Description

The Carl D. Perkins Career and Technical Education Act (Perkins) provides critical funds to States to invest in career and technical education (CTE). States distribute the funds to schools by formula for programs that provide individuals with the academic and technical skills needed to succeed in our knowledge- and skills-based economy. The CTE system prepares its students for both postsecondary education and the careers of their choice.

Funding History (in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
Basic State Grants	\$1,122.16	\$1,123.03	\$1,123.03
National Programs	\$ 7.84	\$ 7.83	\$ 7.83



Impact of President's Budget

The president proposes a freeze in funding for the Perkins Act program and \$1 billion over three years in mandatory funding for a new career academies program. Last year's levels are proposed to support the Administration's objectives for the reauthorization of the Perkins Act. The Administration also takes \$105 million from the Basic State Grants to fund what is likely to be a competitive grant program to spur innovation. The exact details and intent of this competitive grant are unclear at this time. If these funds are removed from the Basic State Grant formula, State allotments would fall below 1998 levels, thus triggering the hold harmless provision. Enactment of the hold harmless provision would result in cuts to every State ranging from 0.6 percent to 41 percent.

While the CTE community is pleased the president chose to invest in CTE programming, larger investments in the Perkins Basic State Grants are necessary to ensure all students have access to quality CTE courses. In order to build a pipeline of skilled workers and address critical education challenges such as reducing the dropout rate, funding for the Perkins Act must be restored to FY 2010 levels to support secondary and postsecondary CTE programs. A restoration of funds would retain support for programs that provide career pathways for students from high school to postsecondary education and careers. This is a fundamental goal of the Perkins Act. Restoring funds will ensure programs can provide a seamless educational transition for students moving from high school to postsecondary education and would produce more skilled workers to fill the jobs crucial to America's economy. Even more valuable to our changing economic landscape, the Perkins Act provides individuals skills for a specific job and transferable skills leading to lasting career development.

Impact of Sequestration

Sequestration would have a strong negative impact on CTE programming. Funding would be reduced to \$1,021 billion for Basic State Grants and to \$7.12 million for National Programs. With less funding, it is estimated the cut would prevent 1,417,000 students from receiving quality CTE programming and would result in a loss of 1,450 jobs.

Program Need

Perkins funding should be restored to FY 2010 levels to help address factors such as rising student enrollment, the declining number of available skilled workers, and the increased costs of implementing quality CTE programs resulting from reauthorization requirements.

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Adult Education and Family Literacy

The Adult Education and Family Literacy Act

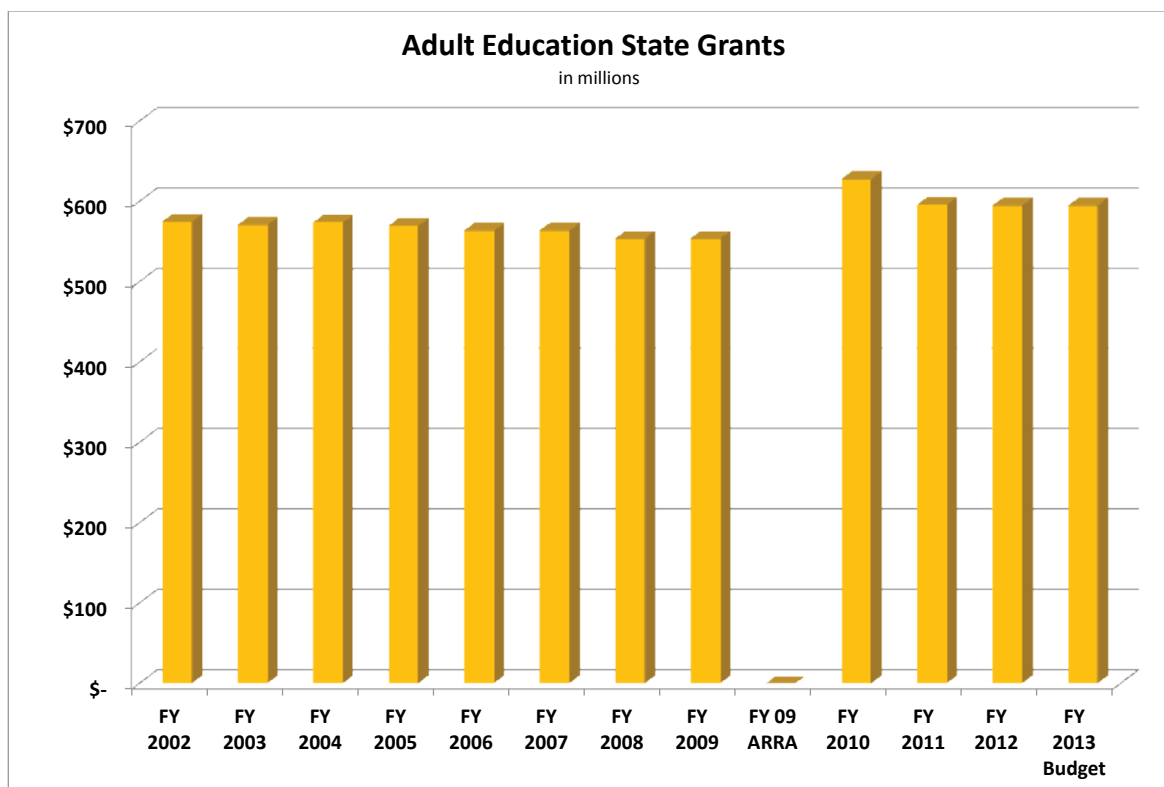
Description

The National Assessment of Adult Literacy (NAAL), released in December 2005, estimated 93 million adults have limited literacy skills, adversely affecting their ability to meet work, family, and community responsibilities. Programs funded by the Adult Education and Family Literacy Act (Title II, Workforce Investment Act) assist these adults to become literate and proficient in speaking English, secure citizenship, and obtain the knowledge and skills necessary for employment and self-sufficiency. Adult education programs often partner with community colleges, technical institutes, and area vocational schools to provide integrated adult education with occupational skill training accelerating attainment of industry-based certifications. In addition, adult education programs help parents obtain the educational skills necessary to become full partners in the educational development of their children.

Funding for adult education brings significant returns to participants, their families, and communities. Adults with a high school education and beyond are more likely to be employed and less likely to live in poverty and need public assistance. They are also more likely to contribute to the tax base through State and federal income taxes.

The bulk of federal adult education funds is received by States and distributed as grants to local adult education providers. In addition, these funds provide the foundation for State public adult education systems, supporting teacher training, curriculum development, and accountability measurement.





Funding History (in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
State Grants	\$ 596.12	\$ 594.99	\$ 594.99
National Programs	\$ 11.32	\$ 11.30	\$ 11.30

Impact of President's Budget

Under the president's proposed budget, State grants for adult education are funded at \$595 million, which includes \$15 million to support a Workforce Innovation Fund (WIF) to be jointly administered and funded by the Departments of Education and Labor and approximately \$74.7 million for English Language Learning and Civics. The \$125 million available for the WIF from all sources will be used to award competitive grants that "encourage innovation and identify and validate effective strategies for improving the delivery of services and outcomes for all beneficiaries under the programs authorized by the Workforce Investment Act." In addition to State grants, \$11.3 million would go to National Programs. These funds would continue to support activities intended to increase the literacy and workforce skills of our Nation's native-born adult population, as well as the ongoing need to address English language acquisition, literacy, and workforce skills gaps of the immigrant population. Despite the critical need for services and benefits to society, the federal investment in adult education programs has remained basically flat over the last decade. Adjusted for inflation, funding has actually declined by 17 percent from 2002. The president's proposed level of funding preserves the current level of federal investment in adult education. However, that investment will continue to support less than 3 percent of the target population who could benefit from adult education services.

Program Need

It is critical to preserve adult education and literacy funding and find ways to increase that investment in the future to help more individuals who desperately need these services. Forty-nine of 50 states have waiting lists for services. Nationally, more than 160,000 people were placed on waiting lists in 2009-10. An increase to at least \$750 million is needed to significantly reduce those waiting lists and provide for a modest expansion of services.

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Library Services and Technology Act

The Museum and Library Services Act

Description

The Library Services and Technology Act (LSTA) is the primary annual source of federal funding for libraries in the federal budget. The majority of LSTA funding is a population-based grant distributed to each State library agency through the Institute of Museum and Library Services (IMLS), a small independent federal government agency. Each State library agency determines how best to spend its allotted funds. LSTA also provides money to States for professional development for librarians under the Laura Bush 21st Century Library Professionals program.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$189.00	\$184.70	\$184.70

Impact of President's Budget

A freeze in funding may help libraries continue to provide critical services in communities across the country in the short-term. However, in the past two years LSTA has seen a cut of almost \$30 million, and many libraries across the country are facing reduced hours and branch closings.

Impact of Sequestration

LSTA funding would be reduced to \$168 million should an across-the-board cut be implemented.

Program Need

An increase in LSTA funding will ensure Americans of all ages have sufficient access to library and information services, support the recruitment and professional development of the next generation of librarians, and provide libraries the resources they need to improve literacy skills and academic achievement. When Congress reauthorized the Museum and Library Services Act (MLSA) in December 2010, the program was authorized at \$232 million, well above the level at which it has recently been funded.

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Part III: The Gateway to Opportunity — Higher Education

Higher Education Overview

President Obama focuses on rebuilding America's economy throughout his FY 2013 budget request and states that investing in higher education and research is a key part of our nation's future economic security. The president expresses concern that rising costs may be pricing young people out of going to college, and his budget stresses federal dollars must be targeted to quality programs and institutions, particularly those that are successfully educating low-income students. He continues his concentration on improving teacher preparation and elevating the teaching profession, as well as helping disadvantaged populations attain educational success.

However, many of the president's proposals for higher education would require legislative changes which have been controversial in the past. Many specific details and very important definitions and measures of quality and value in higher education would be negotiated during the legislative process.

CEF is pleased education funding receives a boost in the FY 2013 budget request, but the proposed 2.5 percent increase would be more than offset by a 9.1 percent across-the-board cut, should sequestration occur. Unless Congress replaces the \$1.2 trillion in potential sequestration cuts, all education programs except Pell Grants will be cut by over \$4 billion, forcing a significant step backward from the goal of increasing college achievement and completion.

The Pell Grant program is protected from sequestration in FY 2013. Further, the Department projects a surplus in funding for the program in FY 2012, which will help meet the need in FY 2013. Another surplus in FY 2013 will be carried over into FY 2014. However, even with this carryover of \$1.5 billion, the program will face serious funding challenges in FY 2014. It is critical the Administration, Congress, and the education community continue to work together to explore ways to sustain a robust investment in Pell Grants for the long term.

In addressing another key priority, President Obama signals a need for a comprehensive approach to the issue of rising college costs. Stressing a college education must remain affordable for all, he emphasizes the federal government, States, colleges, and universities all share responsibility in promoting access to higher education, providing value, and addressing affordability. In the FY 2013 budget request and through other Administration policies, President Obama calls for reforms to reward institutions with responsible tuition policies and that offer quality education and graduate large numbers of students from low-income families.

The president's proposal includes several major new initiatives, including:

- Creation of a \$1 billion Race to the Top grant competition among States that pursue innovative, systemic reforms in reducing costs and facilitate degree completion.
- Establishing a \$55.5 million dollar "First in the World" competition through the Fund for the Improvement of Postsecondary Education (FIPSE). This program would give awards to institutions and non-profit entities that develop or implement strategies boosting productivity, enhancing efficiency, or scaling up innovative strategies to improve college completion while lowering costs and increasing the quality of higher education. Of this amount, \$20 million would be set aside for minority-serving institutions.
- Identifying new tools to provide students and their families with clearer information about college costs and institutional quality in making decisions about college.

In looking at Department of Education programs for higher education, the president's FY 2013 budget request would:

- Show a Pell Grant surplus of \$2.0 billion in FY 2012, carried over to FY 2013, to help maintain the discretionary-funded maximum Pell award of \$4,860. The overall maximum award in FY 2013 will rise from \$5,550 to \$5,635, an increase of \$85 above the FY 2012 level. This new award total combines the discretionary and mandatory money used to fund Pell, and the increase is an automatic CPI adjustment authorized in the Student Aid and Fiscal Responsibility Act (SAFRA), enacted in March 2010.
- Keep the interest rate on subsidized Stafford loans at 3.4 percent for one additional year rather than rising to 6.8 percent as scheduled on July 1, 2012.
- Expand the Perkins Loan program from the FY 2012 level of \$1 billion to \$8.5 billion to allow more low-income students to borrow unsubsidized loans. The Perkins program would be converted from the current program into a direct unsubsidized loan program at 6.8 percent interest, and students would lose many of the Perkins loans borrower benefits they now enjoy.
- Change the formula used to distribute the borrowing authority in the revised Perkins loan program and the allocation of the federal funds in the Supplemental Education Opportunity Grant (SEOG) and Federal Work-Study programs. The president wants to reward institutions working to keep their tuition low, providing large amounts of non-federal aid to low-income students, graduating large numbers of students from low-income families, and showing they are providing students with good long-term value.



- Increase funding for the Federal Work-Study program from \$977 million to \$1.1 billion, strengthening the focus of these jobs on career-related opportunities so students can gain experience while in school.
- Eliminate the current HEA Title II Teacher Quality Partnership program by consolidating it into a new “Teaching Pathways” program in ESEA. In addition, the budget proposes \$80 million in competitive funds for teacher preparation programs in STEM fields, where students earn mathematics or science degrees while at the same time completing teaching certification requirements. This \$80 million would be funded as a set-aside from the proposed revamped ESEA Title II – Effective Teachers and Leaders State grants program. Finally, a new Hawkins Centers of Excellence program would be created, directing \$30 million to Historically Black Colleges and Universities for teacher preparation programs. The TEACH grant/loan program for prospective teachers would be replaced by a “Presidential Fellows Program,” providing formula grants to States to reward teacher preparation programs that increase student achievement.
- Freeze funding for several higher education programs that help ensure student success, including the Supplemental Educational Opportunity Grant (SEOG) Program, TRIO and GEAR UP, and the Strengthening Institutions programs.
- Eliminate funding for the graduate-level Javits Fellowship program again and merge it with the Graduate Assistance in Areas of National Need (GAANN) program at GAANN’s FY 2012 funding level
- Increase by \$1.7 million funding for international education programs, a boost far below what is needed to restore the \$50 million cut enacted last year.

It is important to note the president proposes to make permanent the American Opportunity Tax Credit, which, while not a Department of Education program, helps middle-class families finance their students’ college education.

In order to offset some of the costs of the program changes and expansions, the president would limit federal subsidies on student loans to 150 percent of program length. Under this proposal, for a four-year program students would be able to borrow subsidized loans for a maximum of six years, but the specific details of this proposal would have to be determined through the legislative process. The move is expected to yield a savings of \$1.8 billion over ten years. The president’s budget request also makes technical changes to the Direct Loan program. The proposal adjusts the payments made to guaranty agencies, yielding possibly \$3.4 billion in savings over ten years that will be used to fund Pell and other initiatives.

Generally, the higher education community supports efforts to expand student aid and reward schools for offering strong student-centered aid programs and high-quality education. Higher education supports the increases in the president’s budget and particularly appreciates the president’s support for the Pell Grant program. CEF members will work with Congress and the Administration on these initiatives to ensure the integrity of current student aid programs is retained and important student-focused benefits are preserved. CEF also will work to avoid cuts in important areas like graduate education, student support services and academic preparation, and teacher quality.



Pell Grants

"I am a former foster youth who attends the University of Southern California. Every penny that helps me afford college is through financial aid. Pell Grants have given me security knowing that, with that assistance, I can afford college. Cutting this funding for students would make it much more difficult to graduate if we can't afford to stay in school. Pell Grants give students like me hope and a chance at a brighter future."

- Jasmine Torres, Sophomore, University of Southern California

Description

The Pell Grant program provides grants to needy undergraduate students to help them finance their college education. Grants vary in amount on the basis of need, with the highest-need students receiving the largest awards. This program is the foundation of the federal financial aid program and is the key to securing the goal of providing equal access to postsecondary education for all citizens.

Pell Grants are an appropriated entitlement in that all eligible students receive them, but the overwhelming majority of the program's funding is set in the annual appropriations process. Additional mandatory funding to maintain the current maximum award has been provided through recent legislation.

Funding History

Funding	FY 2011	FY 2012	FY 2013 President's Budget
Discretionary Appropriations <i>(in millions)</i>	\$22,956.00	\$22,824.00	\$22,824.00
Program Costs <i>(in millions)</i>	\$35,734.00	\$35,697.00	\$36,629.00
Discretionary Maximum Award <i>(in actual dollars)</i>	\$4,860.00	\$4,860.00	\$4,860.00
Mandatory Increase <i>(in actual dollars)</i>	\$690.00	\$690.00	\$775.00
Total Maximum Award <i>(in actual dollars)</i>	\$5,550.00	\$5,550.00	\$5,635.00

Impact of President's Budget

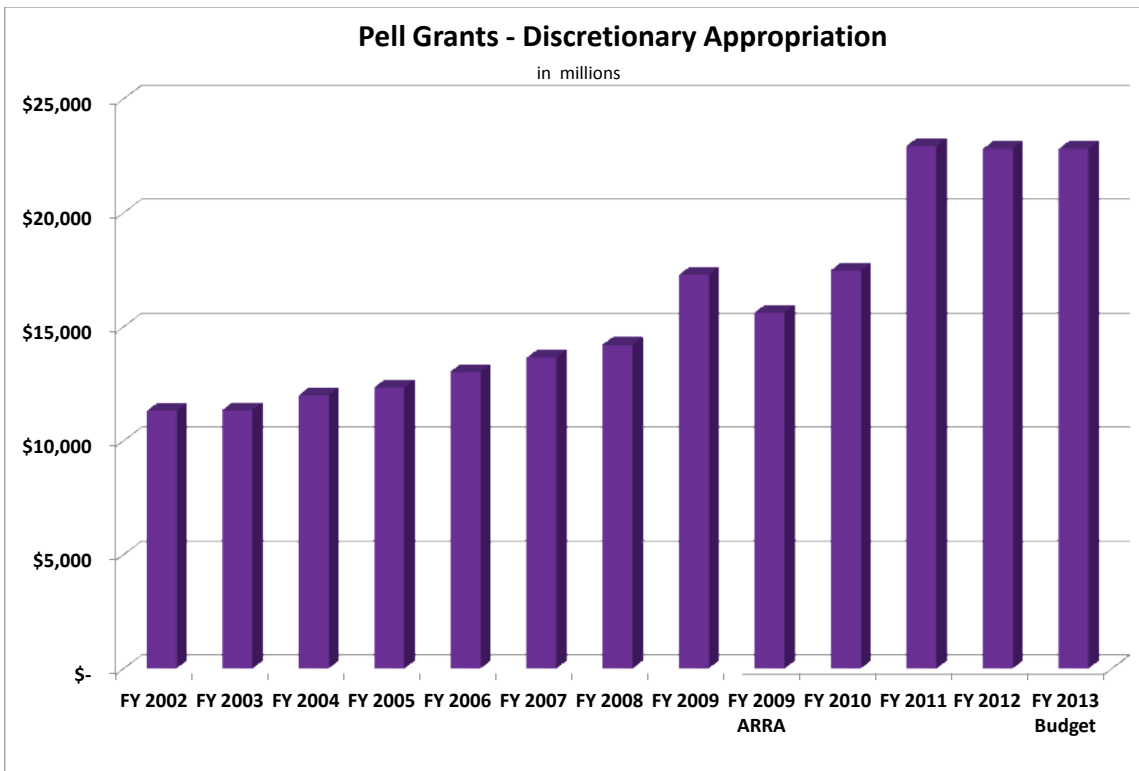
The president's budget proposes to maintain the FY 2012 level of \$22.824 billion for the Pell Grant program, which would provide an appropriated maximum award of \$4,860. For FY 2013, the mandatory add-on will increase by \$85 to \$775, which when combined with the appropriated award, would result in a maximum Pell Grant award for FY 2013 of \$5,635. The budget projects over 9.7 million students will receive Pell Grants in the 2013-14 academic year.

In addition, the president's budget would make changes to existing student aid and loan programs in order to close a large projected FY 2014 shortfall in funding. It would do this by providing just over \$1.5 billion in current appropriated funds for FY 2014 and transferring the savings from (1) elimination of the in-school interest exemption for undergraduate students who are enrolled beyond 150 percent of their program length; (2) technical changes to the terms on which guaranty agencies handle loans that have defaulted; and, (3) a substantial revision and expansion of the current Perkins Loan program.

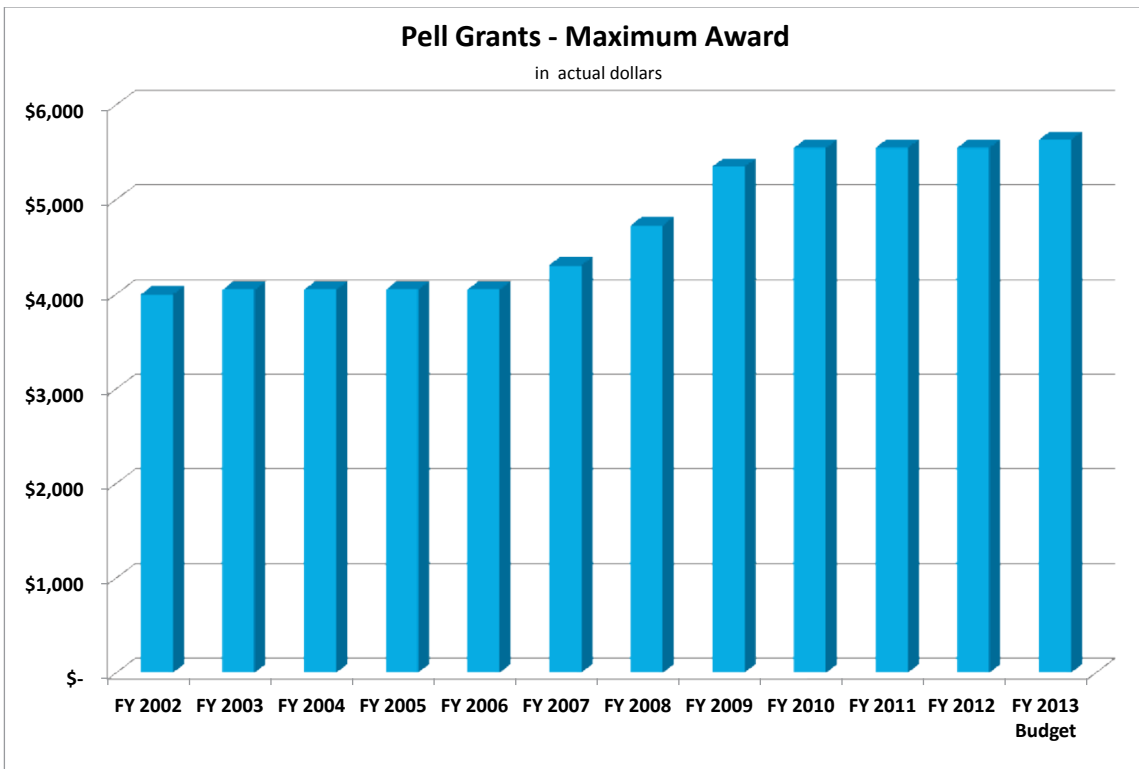
Impact of Sequestration

Pell Grant funding is exempt from the sequestration process for FY 2013, but not in the following years. Due to the unique nature of Pell Grant funding, across-the-board cuts to the appropriated funding will result in additional significant cuts in mandatory funding, severely harming students.





In addition to these discretionary levels, Pell grants have had varying levels of mandatory funding since FY 2008. The FY 2013 budget includes \$13.294 billion.



Program Need

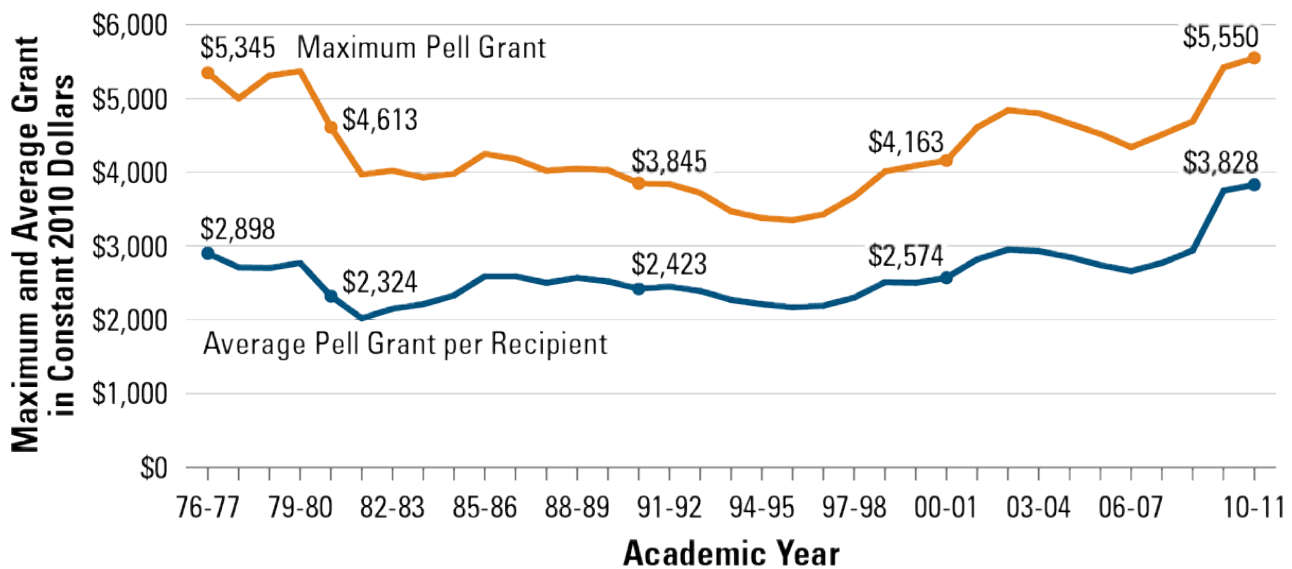
Over nine and a half million students rely on Pell Grants to afford and attend college. Students and institutions depend on the federal government to maintain consistent support so they can budget and plan for higher education.

Therefore, it is critical to provide sufficient appropriated funding to maintain the appropriated maximum award of \$4,860. Reductions below that level will have the additional effect of reducing the already-funded mandatory increases, resulting in a double cut to students. Changes to the Pell funding formula in FY 2012 appropriations resulted in hundreds of thousands of students losing their eligibility or seeing their award levels reduced.

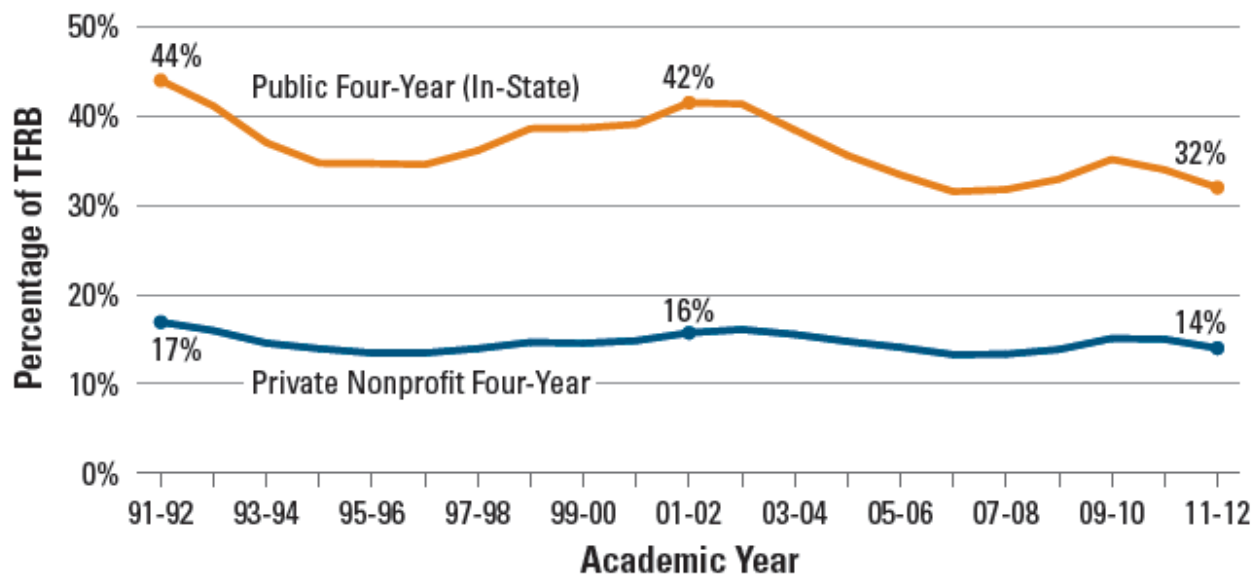
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Maximum and Average Pell Grant in Constant 2010 Dollars, 1976-77 to 2010-11



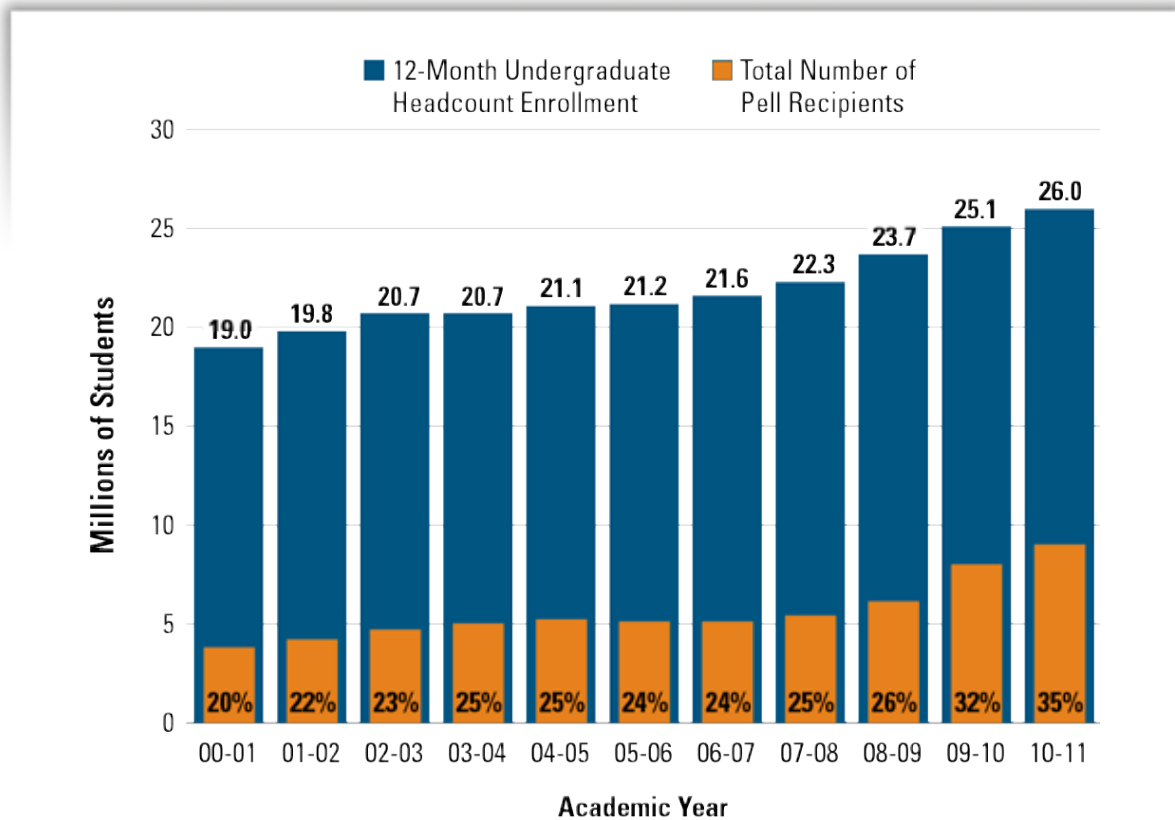
Maximum Pell Grant as a Percentage of Tuition and Fees and Room and Board (TFRB), 1991-92 to 2011-12



SOURCES: *The Federal Pell Grant Program End-of-Year Report, 2009-10*; projections from the U.S. Department of Education, Office of Postsecondary Education; *Trends in College Pricing*, The College Board.



Total Undergraduate Enrollment and Percentage of Students Receiving Pell Grants (2000-01 to 2010-11)



SOURCE: The College Board, *Trends in Student Aid 2011*, Figure 14A.

Federal Supplemental Educational Opportunity Grant Program (SEOG)

Title IV, Part A, Subpart 3, Higher Education Act

Jose Vazquez came to the United States from Cuba in 2001 through the U.S. visa lottery. He arrived with his mother, a single parent, who is now a nursing assistant in a small hospital in Hialeah, Florida. Jose was an honor student at Hialeah High School. After graduation, Jose studied at Miami Dade Community College through a program for especially promising young people designed to broaden their horizons and prepare them for highly ranked colleges and universities. After earning a 4.0 at Miami Dade, Jose was accepted to Georgetown University to major in government. He has a financial aid package that includes the maximum Pell Grant and Supplemental Education Opportunity Grant, as well as a Federal Work Study job as a translator at Georgetown University Hospital. He also receives a sizable Georgetown scholarship plus Stafford and Perkins Loans. The SEOG program allowed the targeted additional funding that will provide the opportunity for Jose to pursue a law degree and help him reach his goal of becoming a judge.

Description

SEOG provides up to \$4,000 in additional grant aid targeted for exceptionally needy students. SEOG expands college choices for low-income students and is a critical component of the federal student aid package. SEOG is a campus-based aid program with an institutional match that gives financial aid officers the flexibility to help students when their financial circumstances drastically change.



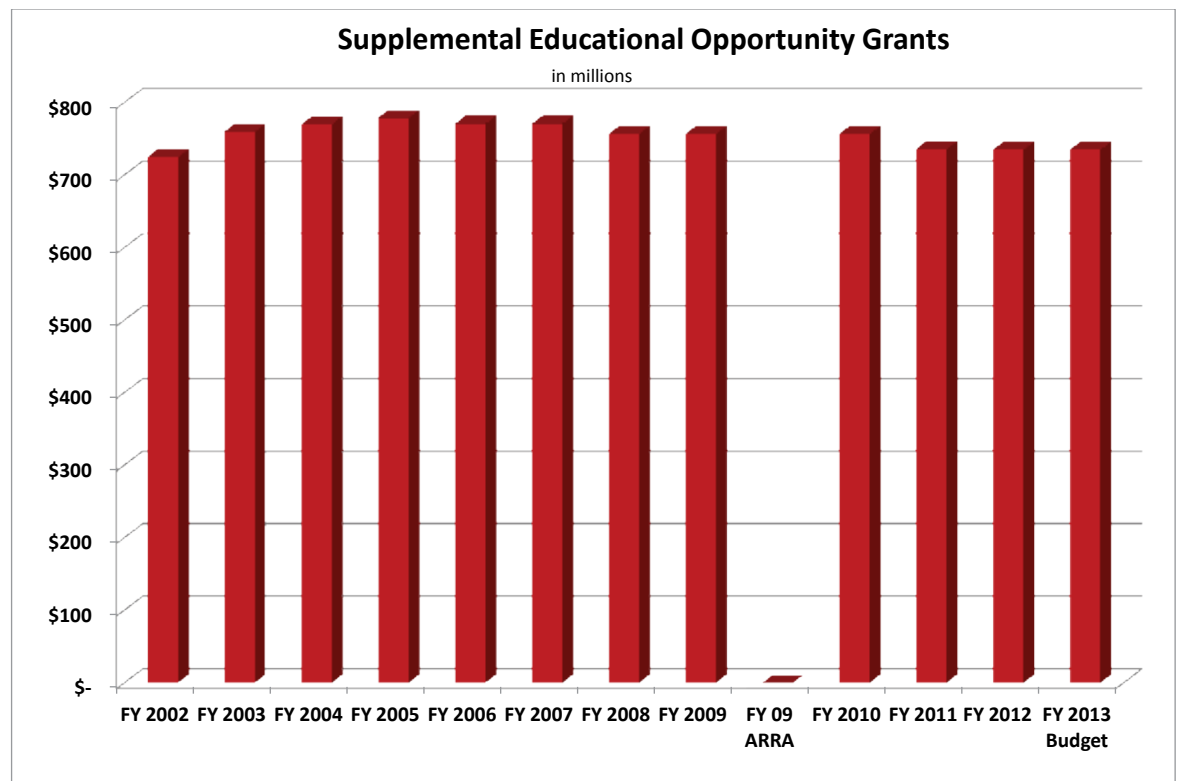
Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$735.99	\$734.60	\$734.60

Impact of President's Budget

The president's proposed FY 2013 budget preserves the SEOG program at the FY 2012 level. This leverages an institutional match and would provide an average grant of \$699 for 1.39 million students. Because the SEOG awards go to the neediest Pell Grant-eligible students, a funding freeze equals a cut, especially given the economic challenges for a growing number of qualifying students over the past few years.

The president's budget calls for reform measures which would link college affordability, quality, and providing aid to needy students as important criteria to maintain campus-based aid institutional eligibility. This new policy would require congressional action before it could be implemented. Colleges and universities agree a national dialogue on affordability is imperative.



Impact of Sequestration

The potential 9.1 percent cut to SEOG would equal an approximate loss of \$66 million, bringing the funding level down to \$669 million. Sequestration will cut the number of SEOG grants, already decreased since the program has been frozen for several years. Sequestration will impact student aid substantially and will negate many years of success in offering access to needy students.

Program Need

SEOG should be increased, given the current economic crisis, enrollment increases, and growth in the number of students eligible for need-based aid. Last year the program served fewer students with higher average grants. Instead of spreading the funding across several programs, SEOG should be given a higher priority since it serves the neediest students.

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Federal Work-Study Program

Title IV, Part C, Higher Education Act

Many times FWS work experience is directly related to a student's field of study or community service—both of which are valuable to the student, the institution, and the surrounding community. This is the case of a student attending a small four-year private institution who held a FWS job in the library as an assistant to the archivist, documenting and organizing the institution's history. Today this student is a successful museum curator in Washington, DC, working for the Smithsonian's American History Museum. Many FWS opportunities provide students the chance to find employment in areas of interest and relevance to their major, giving them practical real-world work experience.

Description

The Federal Work-Study (FWS) program provides funds, matched by institutions, for awards to needy students for part-time employment that assists in financing college costs. Students can receive FWS funds at approximately 3,400 participating postsecondary institutions. The work-study program is cost-efficient because institutions and employers generally contribute funds. The program provides students with much-needed funding and work opportunities, helping to integrate students into college life and persist to graduation. In addition, institutions must use at least 7 percent of their FWS allocation to employ students in community service jobs. Employing FWS students in these positions serves the needs of the community and gives FWS students enriching and rewarding experiences. While the vast majority of FWS funds go directly toward need-based student compensation, a portion of funds may also be used to develop off-campus jobs for students.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$978.53	\$976.68	\$1,126.68

Impact of President's Budget

The Obama Administration's FY 2013 budget request proposes to double the number of work-study jobs over the next five years and provide an additional \$150 million. This growth would allow for an estimated 793,000 work-study students in 2013-14. The proposal is part of a larger plan to reform federal campus-based aid programs that would reward institutions for keeping low net tuition, providing good value and quality, and serving low-income students well. The Administration has not established metrics for measuring these indicators but has expressed interest in working together with key stakeholders to determine the allocation formula.

Impact of Sequestration

Sequestration would have a devastating impact on the Federal Work Study program by reducing funding levels to roughly \$707 million, down from the current level of approximately \$980 million. The result would be a sizeable reduction in the number of jobs available through the program, and even more important, in the number of students able to participate. The FWS program provides a necessary means of income for our nation's lowest-income students, and a reduction in funding of this magnitude would have a negative and lasting impact.

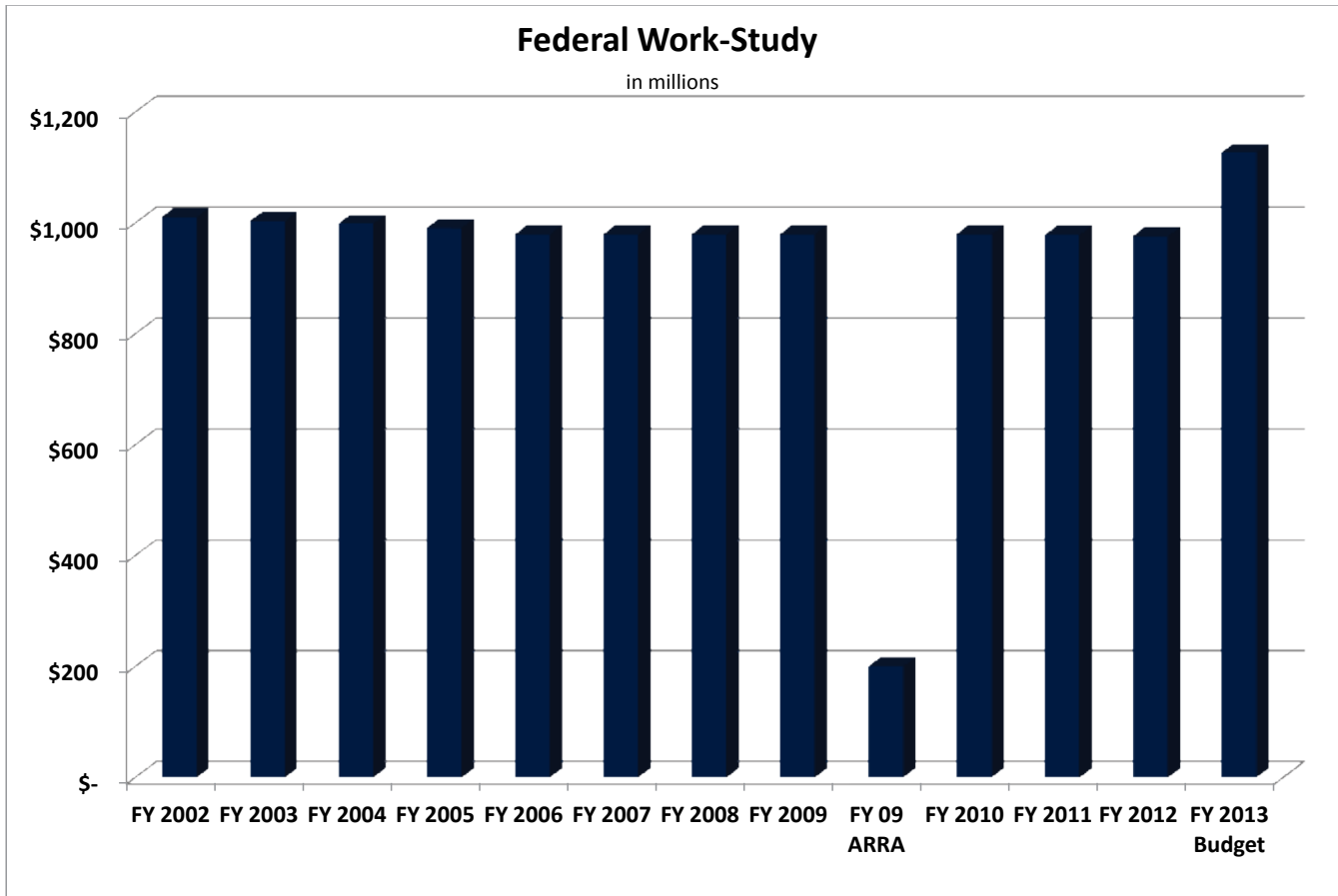
Program Need

It is imperative that the FWS program receive the funding level requested by the president. This funding ensures availability of job opportunities to help students complete their degrees in a timely manner. Any cut to the FWS program would hinder students' ability to fund their education, likely resulting in higher debt burdens. In addition to earning funds to help pay their postsecondary expenses, students gain valuable work experience through FWS.

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Federal Perkins Loan Program

Title IV, Part E, Higher Education Act

"I am a college graduate who benefited from the Federal Perkins Loan program. My freshman year of college was a difficult time for my family. My father recently had been laid off, and my mother took a minimum wage job to help support us. Because of their experiences, my parents always stressed the importance of education. As I attended the University of Illinois at Chicago, I relied on several forms of financial aid, one being the Federal Perkins Loan. My parents' credit scores were too low for a Federal PLUS or private loan. Without the Federal Perkins Loan program I may not have had the funds to finance my education."

Description

The Perkins Loan Program provides low-interest loans to the neediest college students. Colleges originate, service, and collect the loans, and they create a revolving fund to provide loans to future students. The federal government is authorized to add capital contributions every year, and colleges match a third or more which stretches federal dollars. Federal funds are required by law to reimburse the Perkins Loan Revolving Funds at schools that meet their obligation to cancel loans for borrowers who work in statutorily determined public service fields such as teaching, nursing, law enforcement, firefighting, the Peace Corps, child care, libraries, and the military.



Funding History (in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request*</u>
Federal Capital Contributions	\$0	\$0	\$0
Cancellations	\$0	\$0	\$0

* The president proposes to create a new Unsubsidized Perkins Loans program as a direct loan program serviced by government contractors, instead of funding the existing program.

Impact of President's Budget

The Administration proposes to freeze and in the future eliminate the current campus-operated Perkins Loan program. Instead, they propose to create a new \$8.5 billion Unsubsidized Perkins Loan program with the goal of incorporating additional institutions into the program and expanding loan availability. The current program offers better student benefits, such as an interest rate of 5 percent (versus 6.8 percent), does not charge interest during the in-school and grace periods, and contains more helpful cancellations options for many public service jobs. Institutions have been servicing Perkins Loans since the program was created in 1958. The Title IV contractors would service Unsubsidized Perkins Loans as a relatively small part of their Direct Loan servicing contracts. This proposal would require congressional action. The Department of Education announced in 2011 that the current program is, like most federal student aid programs, authorized at least until October 1, 2015, if Congress does not act before then. For now, Congress should fund capital contributions so institutions can provide loans to more low-income students in these tough economic times and should meet its federal responsibility to reimburse institutions for loan cancellations.

Impact of Sequestration

With \$279 million already owed to participating colleges and universities, a sequestration will only make matters worse. Congress didn't tell students to stop going into the public service professions designated for cancellation. Rather than further cuts to education via a sequestration, Congress should take action and meet its obligation to reimburse campus Perkins Loan Funds for cancellations.

Program Need

To fund expected cancellations and as a down payment to cover part of past shortfalls as required by the law, \$125 million is needed. Ideally Congress would reimburse campus Perkins funds for all of the unreimbursed cancellations owed, now totaling \$279 million, including funds institutions themselves contributed to the Perkins Loan Program. The Federal Capital Contribution, authorized at \$300 million per year, also must be funded for FY 2013. With institutional matching funds, this would make available \$400 million for new loans, helping thousands of additional students. Perkins Loans provide low-cost loans to students who cannot borrow or afford more expensive private student loans and are a key part of making higher education accessible and affordable. The program also provides an important incentive for people who wish to go into public service by offering loan cancellations after five years of service in 16 public service professions.

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Leveraging Educational Assistance Partnerships (LEAP)

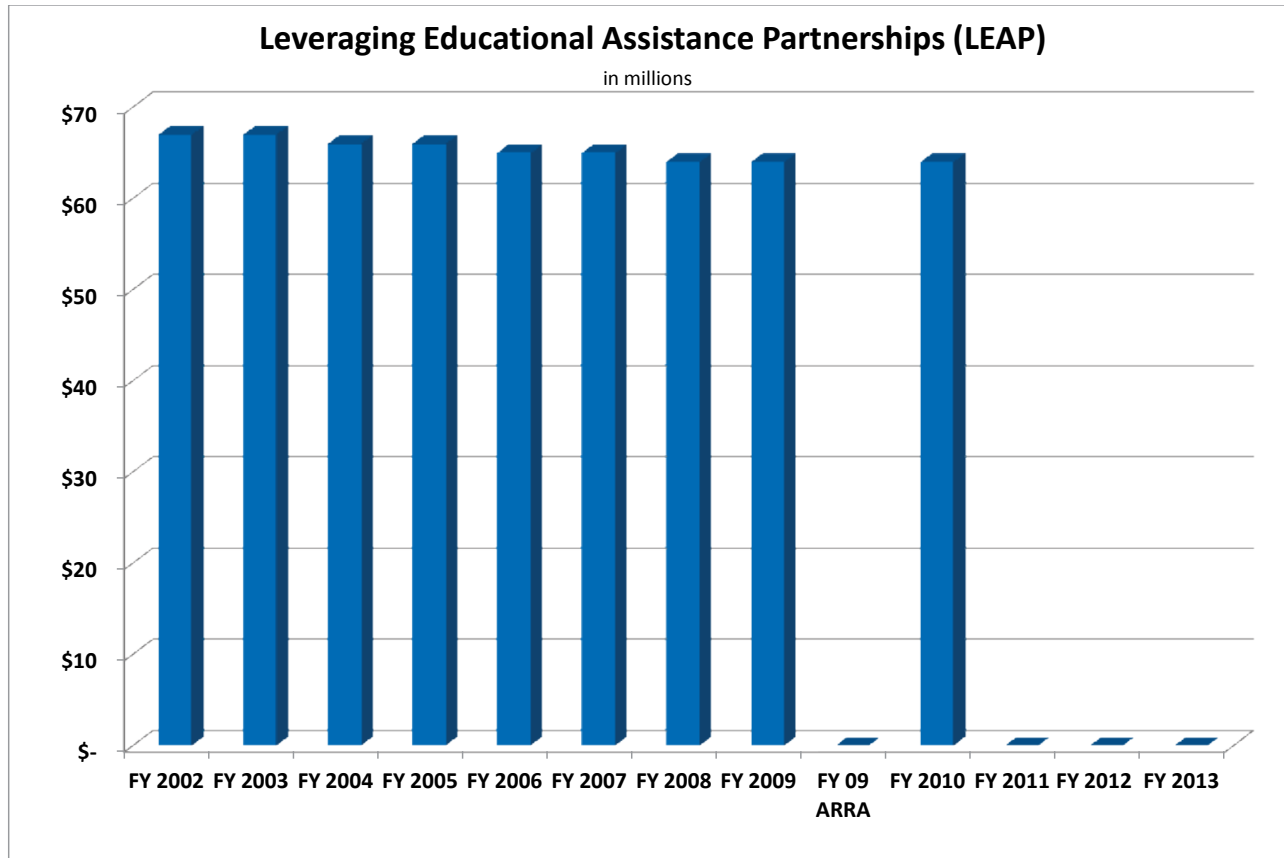
Title IV, Part A, Subpart 4, Higher Education Act

In a scholarship program sponsored by a rural Kentucky church, students had to provide a copy of their financial aid award letter to verify their need. Most of the applicants were receiving a Pell grant, a Kentucky/LEAP grant, and the maximum allowed Stafford loan. Without LEAP, these students would not have an alternative to fill the funding gap to continue their education. From just the few applications reviewed, Kentucky will have fewer teachers and nurses without renewed funding for LEAP.

Description

LEAP makes incentive grants to States to encourage the retention and expansion of need-based State grant programs. States must match LEAP funding, which is subject to maintenance of effort requirements.





Funding History (in millions)

FY 2011

\$0*

FY 2012

\$0*

FY 2013 President's Request

\$0*

* See Impact of President's Budget.

Impact of President's Budget

LEAP has not been funded since FY 2010, and the president's FY 2013 budget proposal did not propose to reinstate the program. This is unacceptable, especially given the tough economic times students and their families are facing. The traditional funding level of approximately \$64 million historically generated over \$1 billion in matching aid from State grant agencies to low-income college students. Many LEAP recipients will be forced to drop out of college if their LEAP grants of \$1,000-\$2,000 are eliminated.

Program Need

Since its inception in 1972, the LEAP program served over 1 million students each year, more than half of whom have annual family incomes of less than \$20,000. The maintenance of effort requirements ensured continued State funding even in difficult budget times. Ending the federal matching funds could lead many States that established State grant programs explicitly because of the federal seed money to terminate those programs. Because students receiving LEAP grants tend to come from lower income families, it is unlikely alternative sources of funds for college are available to them, resulting in many being forced to drop out of college. Maintaining LEAP funding is critical to the stability of the financial aid partnership between the federal and State governments, and even more important, to ensuring hundreds of thousands of students can continue their college education. The elimination of LEAP funding affected the 2011-12 academic year. We are still evaluating its impact, but State grant aid seems to have declined.

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William D. Ford Federal Direct Loan Program

Title IV, Part D, Higher Education Act

The Direct Loan program helps millions of students achieve their postsecondary goals every year. At one four-year public institution, a high-achieving low-income student was admitted to the prestigious College of Business. The student was eligible for a full Pell Grant, but it did not cover the cost of attendance, and the student still had unmet need. It was the Direct Loan program that made the difference in this student's ability to attend college. The student was able to borrow the remaining need and had a successful college career.

Description

The Department of Education administers one major student loan program, the William D. Ford Federal Direct Loan Program (DL). This program covers four loan types: subsidized Stafford loans, unsubsidized Stafford loans, PLUS loans for parents of dependent students, and PLUS loans for graduate/professional students (all PLUS loans are unsubsidized). The program makes low-interest loans available to students and their families to pay the costs of postsecondary education and has become the largest federal student aid program. The program also provides other benefits such as loan forgiveness, income-based repayment, and borrower protections that help prevent students from defaulting on their loan obligations. These benefits and favorable loan terms make federal Direct Loans a better option for students and families than private or alternative student loans.

In 2010, Congress passed the Student Aid Fiscal Responsibility Act (SAFRA), which included a provision to make all new Stafford and PLUS Loans through the Direct Loan program administered by the Department of Education, thus ending the parallel bank-based Federal Family Education Loan (FFEL) Program. All institutions were required to convert to DL for the 2010-11 academic year. The president's FY 2012 budget maintained that all Stafford and PLUS loans will be administered through the DL program. However, last year significant changes were made to loan programs, including the elimination of the interest subsidy for graduate students and the temporary two-year loss of the interest subsidy for undergraduates during the grace period.

In October, the Administration announced two new student loan programs as part of a series of executive actions. The first accelerates income-based repayment (IBR) provisions passed by Congress in 2010 that were intended to start in 2014. Starting in 2012, borrowers can reduce their monthly student loan payments to 10 percent (down from the current 15 percent) of their discretionary income. The plan also forgives the balance of their debt after 20 years of payments (down from the current 25 years).

The second program allows eligible borrowers to consolidate their Federal Family Education Loans (FFEL) and Direct Loans. These borrowers would be able to receive a 0.25 percent reduction on consolidated FFEL loans and another 0.25 percent reduction for using the Department's automatic electronic debit system. Both of these options provide incentives to students and contribute to debt management.

Impact of President's Budget

The FY2013 budget request would maintain the interest rate for subsidized Stafford loans, scheduled to rise to 6.8 percent on July 1, 2012, at the current rate of 3.4 percent in order to minimize repayment burdens on students and families. If the interest rate increases in July as scheduled, more than 7 million undergraduate students will see the interest rates on their need-based student loans double. This increase will cost the average borrower more than \$2,800 in additional interest payments.

The budget also proposes to limit the in-school interest subsidy provided to Subsidized Stafford loan borrowers to 150 percent of the normal time required to complete borrowers' educational programs. Beyond that point, borrowers would no longer receive the interest subsidy on their Stafford loans, and interest would begin to accrue. The estimated savings from this proposal—\$1.8 billion over 10 years—would be re-appropriated to the Pell Grant program in future years.

Impact of Sequestration

There is a special rule for the Direct Loan program under sequestration—origination and loan processing fees would be increased by the percentage identified in the sequestration order. According to CBO, it is estimated that origination fees on subsidized and unsubsidized Stafford Loans would increase from 1 percent to 1.1 percent. A fee increase resulting from a sequestration order is an unfair penalty to any borrower.

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Teacher Education Assistance for College and Higher Education Grant Program

Title IV, Part A, Higher Education Act

Description

Teacher Education Assistance for College and Higher Education Grant Program (TEACH) is a mandatory spending program providing up to \$4,000 a year (for a maximum of \$16,000) in grant aid to undergraduate and post-baccalaureate students who plan to become teachers. In addition, current teachers or retirees from other high-need fields are eligible for \$4,000 per year (for a maximum of \$8,000) to pursue Master's degrees. Within eight years of finishing the program, grant recipients must fulfill a four-year teaching obligation in high-need subjects (mathematics, science, special education, a foreign language, bilingual education, and reading) in schools receiving Title I funds. If the service obligation is not fulfilled, the grants convert to unsubsidized loans repaid with interest.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
*	*	\$190.00**

**This program now operates as a loan program.
**Proposed "Presidential Teaching Fellows" program.*

Impact of President's Budget

Current funding for the TEACH Grant program is mandatory, so it is not subject to annual appropriations. To date, almost 1,000 institutions have signed up to offer TEACH Grants, and more than 30,600 grants were disbursed in the 2009-10 academic year. Because the program began in July 2008, grant recipients have only recently begun their service obligations.

The president's FY 2013 budget would replace the TEACH Grant program with a new Presidential Teaching Fellows program, proposed at \$190 million. The Department of Education would allocate funds to States, which in turn would award scholarships of up to \$10,000 to students attending the most effective teacher preparation programs in the State. Scholarship funds would be awarded to students advanced in their study, enrolled in either a teacher preparation or alternative route program. Teacher candidates receiving funds from the Presidential Teaching Fellows program would be expected to teach for at least three years in a high-need school or in a high-need subject area. In order for States to receive funds under this program, they would be required to hold teacher preparation programs accountable for outcomes and to upgrade licensure and certification standards. The Department estimates approximately 14,900 students would be awarded Presidential Teaching Fellowships in the first year.

Impact of Sequestration

The TEACH Grant program is mandatory and not subject to sequestration.

Program Need

With the nation in the midst of severe teacher shortages in many subject areas and geographic regions, federal investments in recruitment and retention of high-quality teachers are essential. The TEACH Grant program has been successful in attracting teachers to the profession and keeping them in the classroom. The Presidential Teaching Fellowship program shares the recruitment and retention goals of the TEACH Grant program but is more limited and adds additional accountability requirements for both States and teacher preparation programs.

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High School Equivalency and College Assistance Migrant Program (HEP-CAMP)

Section 418A, Higher Education Act

Concepción has blossomed from a shy college freshman to an outgoing engineer. She served as president of the New Mexico State University's Concrete Canoe Team and served as a CAMP Learning Community Leader for two years, mentoring CAMP freshmen living on campus. Concepción has interned at the Texas Department of Transportation for the past two summers, and now she has offers from nine different corporations in the United States, Canada, and Mexico eager to bring her on board after she graduates in May.

"The CAMP program has allowed the calluses in my hands to heal and my mind to grow."

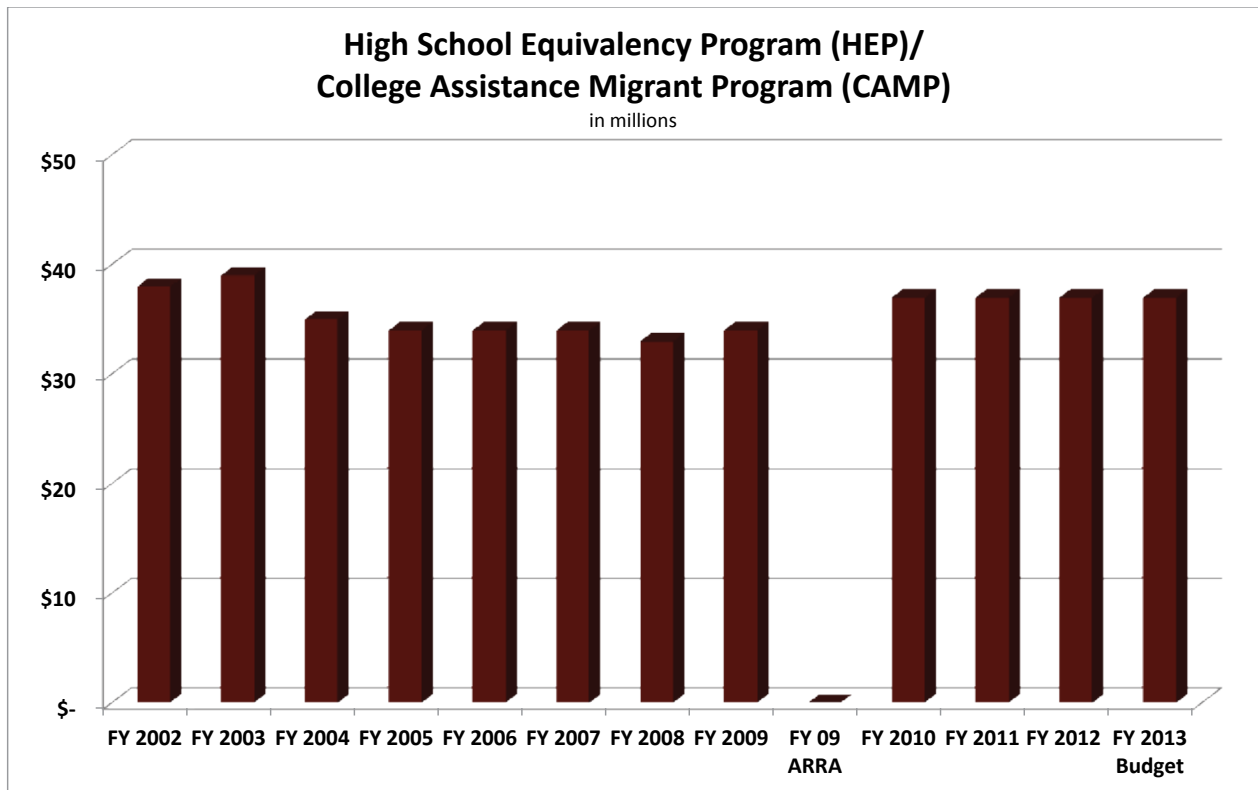
- Concepción Mendoza, Civil Engineering Technology, New Mexico State University CAMP

Description

Farm worker migrant and seasonal worker students are among the most disadvantaged and at risk of all students. Their dropout rate is among the highest, and they encounter tremendous obstacles in completing high school and pursuing higher education. For over three decades, the High School Equivalency (HEP) and College Assistance Migrant Program (CAMP) initiatives have been successful in helping to close the access and completion gaps for many low-income farm worker migrant and seasonal worker students. The HEP/CAMP program is the only federal program targeting these students to provide them with educational opportunities and support to get a GED and to pursue and succeed in higher education. The HEP helps students who have dropped out of high school earn a GED. The CAMP assists these students in their first year of college with academic and personal counseling, stipends, and other support services.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$36.60	\$36.53	\$36.53



Impact of President's Budget

The president's FY 2013 budget provides \$36.53 million for HEP/CAMP, a freeze in funding for these important programs. The FY 2013 request would support approximately 43 HEP projects and 39 CAMP projects, as well as outreach, technical assistance and professional development activities. Currently there are 82 HEP/CAMP Programs at institutions of higher education throughout the United States. These services are in high demand, and much greater funding is required to meet the needs of farm worker migrant students across the country to ensure they have access to educational and job opportunities.

Impact of Sequestration

The HEP/CAMP programs would be significantly impacted by sequestration. Approximately seven or more programs would be eliminated, program staff would lose their job, and farmworker migrant and seasonal workers would lose opportunities to pursue higher levels of education and secure higher paying employment.

Program Need

The Higher Education Opportunity Act of 2008 recognized the importance of the HEP/CAMP program by increasing the authorization levels to \$75 million, an increase of \$55 million. Funding at the authorized level must be provided to ensure these students have equal opportunity to receive a quality education.

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Federal TRIO Programs

Title IV, Part A, Subpart 2, Chapter 1, Higher Education Act

"By all accounts I was a successful soldier--a staff sergeant--when, with difficulty, I let my contract expire and was discharged in March of 2006. Barely a year later I was divorced, had lost two jobs, a house, and a life that I thought I knew. So it was that I began Veterans Upward Bound as a 32-year-old divorced veteran of six foreign wars who could not solve simple fractions. That was last year. After completing the Veterans Upward Bound program's free college prep program I am an academic junior with a 4.0 GPA."

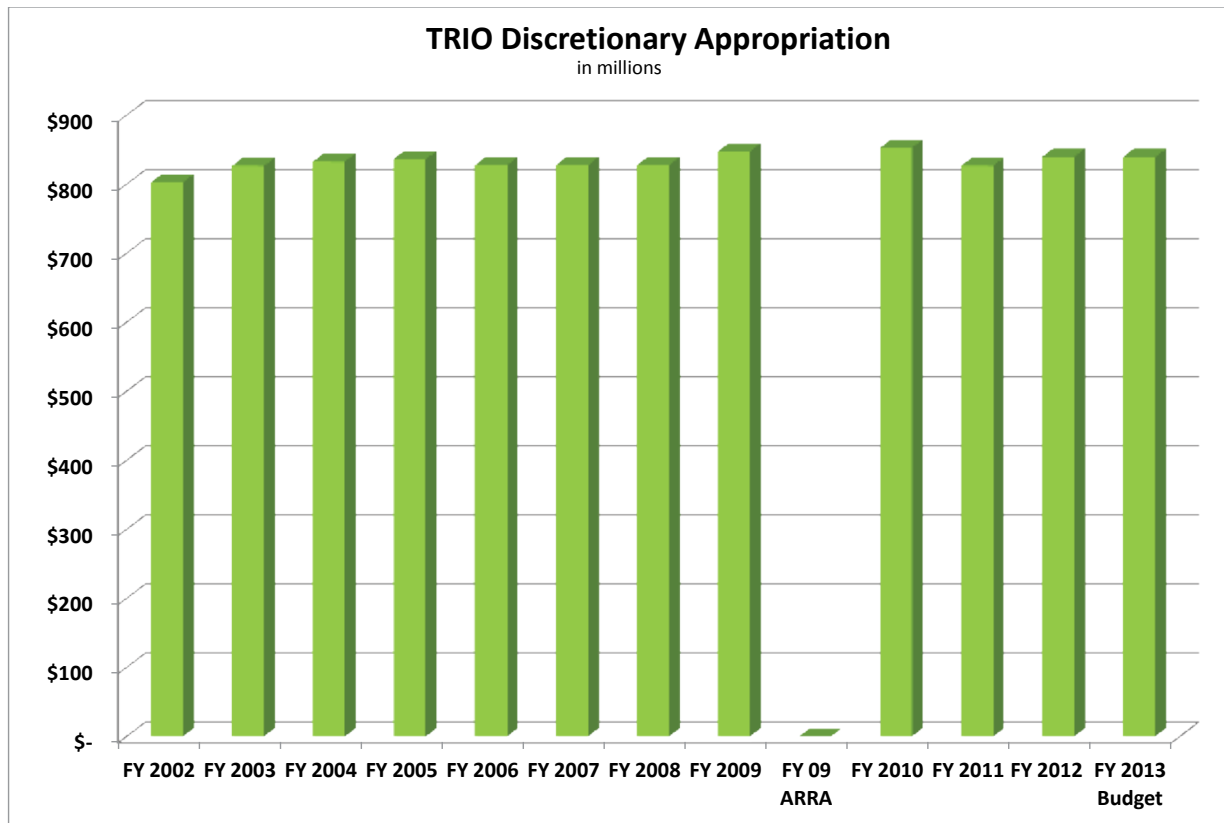
Description

The TRIO programs provide a pipeline of educational outreach and supportive services to approximately 800,000 low-income students ranging from sixth-graders to doctoral candidates and including military veterans, adult learners, and students with disabilities. Through seven programs (Talent Search, Upward Bound, Upward Bound Math-Science, Student Support Services, Ronald E. McNair Postbaccalaureate Achievement, Educational Opportunity Centers, and Veterans Upward Bound), TRIO motivates and prepares individuals from families with incomes below 150 percent of the poverty level and in which neither parent graduated from college. With nearly 3,000 projects across the country, TRIO operates in virtually every jurisdiction of the United States and several independent territories.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$826.52	\$839.93	\$839.93





Between FY 2008 and FY 2011 there was also mandatory funding of \$57 million provided for TRIO.

Impact of President's Budget

President Obama proposes to freeze funding for TRIO programs at \$839.93 million, which next year would terminate services to 33,600 students, including adult learners, veterans, and students with disabilities. Such losses would add to the nearly 81,000 students who have already been denied TRIO services since FY 2005 due to stagnant funding and increased program costs. With the expiration of \$57 million in mandatory funding in FY 2011, the need for additional funds to support the aspirations of low-income, potential first-generation college graduates is greater than ever.

Impact of Sequestration

TRIO could lose between \$65.5 million and \$76.4 million in funding, equating to a loss of access to services for an additional 66,000 – 77,000 students.

Program Need

An additional \$156.6 million in TRIO funding in FY 2013 would allow 87,000 more low-income youth and adults to receive TRIO services. More specifically, such an investment would double the size of the Veterans Upward Bound program to serve a total of 12,000 veterans and expand the reach of TRIO's Educational Opportunity Centers by 30 percent to allow more un- and underemployed adults receive assistance in completing secondary and/or postsecondary education programs. This investment also would allow colleges to extend Student Support Services programs to serve an additional 32,000 students on their campuses and restore services to approximately 55,000 students in the Talent Search, Upward Bound, Upward Bound-Math Science, and Ronald E. McNair Postbaccalaureate Achievement programs.

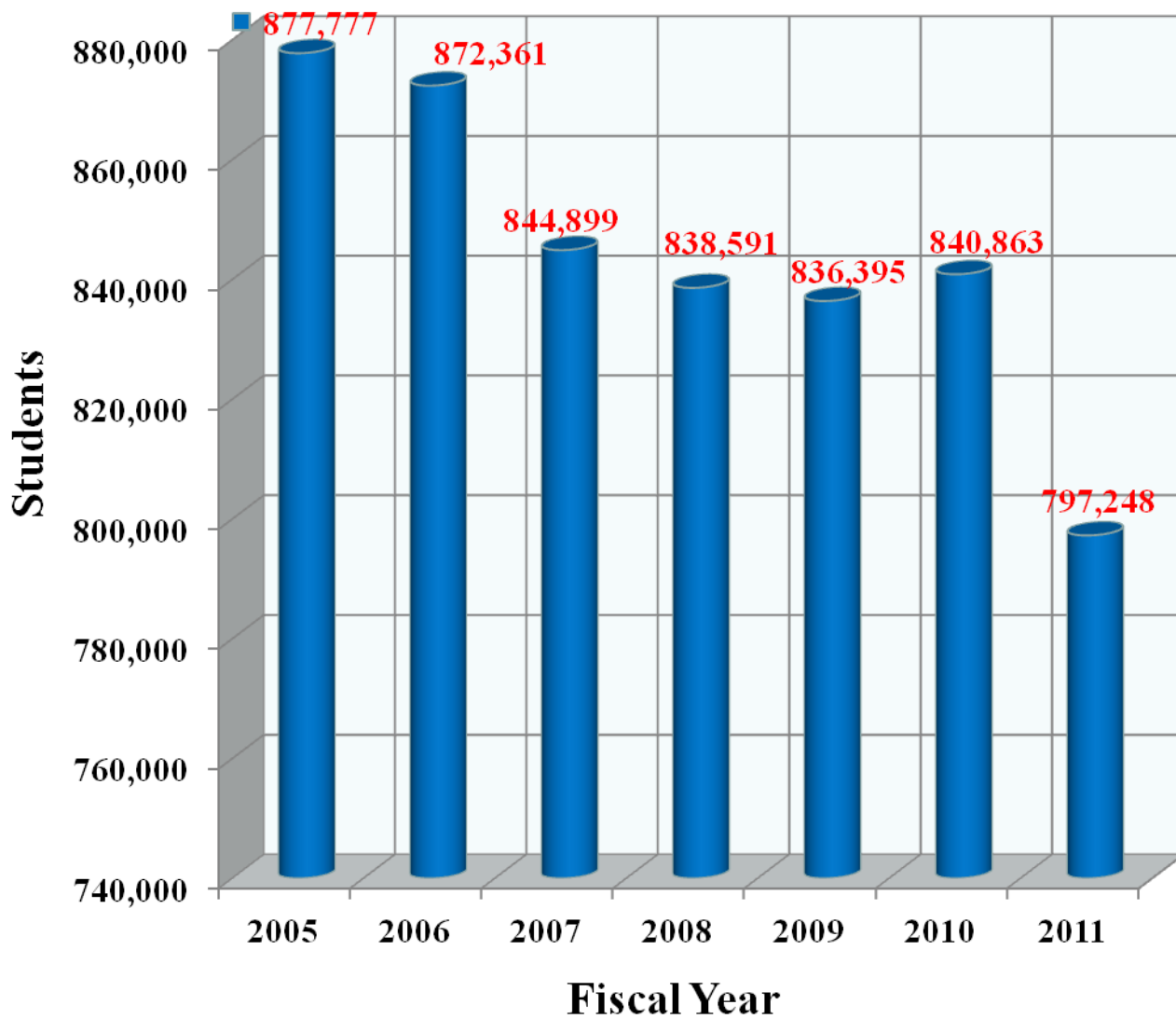
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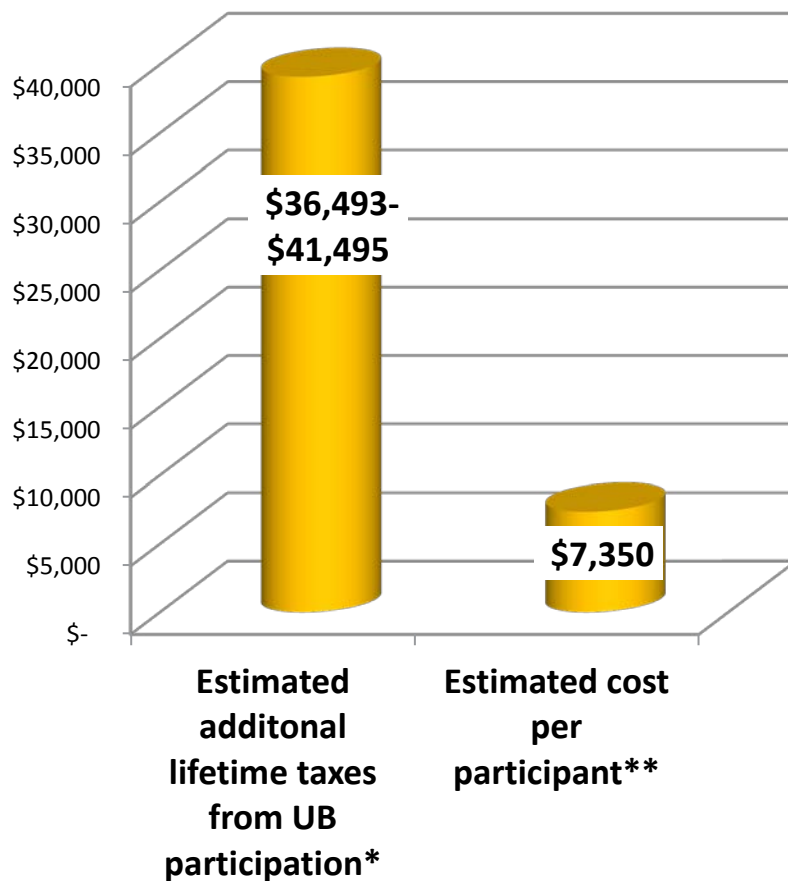
Students Served in Trio Programs (FY 2005-2011)



SOURCE: Council on Opportunity in Education



Random Assignment National Evaluation of Upward Bound (UB) Data on estimated increase in life-time taxes paid compared to program cost per participant — taxes are 4.9 to 5.9 times the cost of participation



Sources and Assumptions:

*UB Evaluation Data. Estimated based on end of study estimated differences in educational attainment between the treatment and control group from random assignment study that followed sample for 6 to 10 years after expected high school graduation. Upward Bound impact estimates from the final Fifth Follow-up Survey using outcome variables derived by Mathematica Policy Research with weights adjusted for survey non-response.

*Life time earnings and taxes data from US Census Bureau; The Big Payoff: Educational Attainment and Synthetic estimates of Work-Life Earnings, July 2002, Current Population Reports, Jennifer Day and Eric Newburger; College Board, Education Pays, The Benefits of Higher Education for Individuals and Society: 2007

**Cost of UB program per participant: US Department of Education Data on average cost of UB for one year — \$4900 Assumes average participant uses about 1.5 times this level of resources.



Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

Title IV, Part A, Subpart 2, Chapter 2, Higher Education Act

“Being a GEAR UP student was a profound experience. The GEAR UP staff tremendously aided my preparation to make the transition not only from high school to college but also from young adult to woman. Some of the information I received being a GEAR UP student I otherwise would never have asked about, but it was information that I needed and has helped me transform into the college student I want to be. GEAR UP helped prepare me to make time management adjustments and gave me financial aid advice along with advice concerning life as a whole.”

- Rosie Powell, GEAR UP, Class of 2011, Valley High School, Elk Grove, CA, Bachelor of Science in Nursing, Class of 2015, Howard University

Description

GEAR UP, a competitive grant program that increases the number of low-income students prepared to enter and succeed in postsecondary education, provides services at high-poverty middle and high schools. The program serves at least one grade level of students, beginning no later than the 7th grade, following them through high school graduation into their first year of college. GEAR UP provides critical early college awareness and support activities, including tutoring, mentoring, academic preparation, financial education, and college scholarships, to improve access to higher education for low income, minority, and disadvantaged first-generation students and their families. The program also supports State and local education reform initiatives, fostering sustained systemic change in middle and high schools. GEAR UP mandates cooperation among K-12 schools, institutions of higher education, local and State education entities, businesses, and community-based organizations. These dynamic partnerships are required to leverage local resources to match federal funding dollar for dollar, effectively doubling the community’s investment in supporting youth on their way to college readiness and completion.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President’s Request</u>
\$302.82	\$302.24	\$302.24

Impact of President’s Budget

A funding freeze at \$302.24 million would allow GEAR UP to continue to support States and communities in their efforts to provide equal opportunities to a quality education for low income students. However, this funding level unfortunately would inhibit any program expansion to address the increasing demand for these kinds of services from a growing population of minority and low-income families. In the FY 2011 grant competition, 296 eligible applications were filed, of which only 66 received funding. On average, a GEAR UP grant serves approximately 4000 students. Given that 230 grant applications did not receive funding due to lack of resources, more than one million underserved students identified in need of GEAR UP services will not receive support to prepare to enter and succeed in postsecondary education.

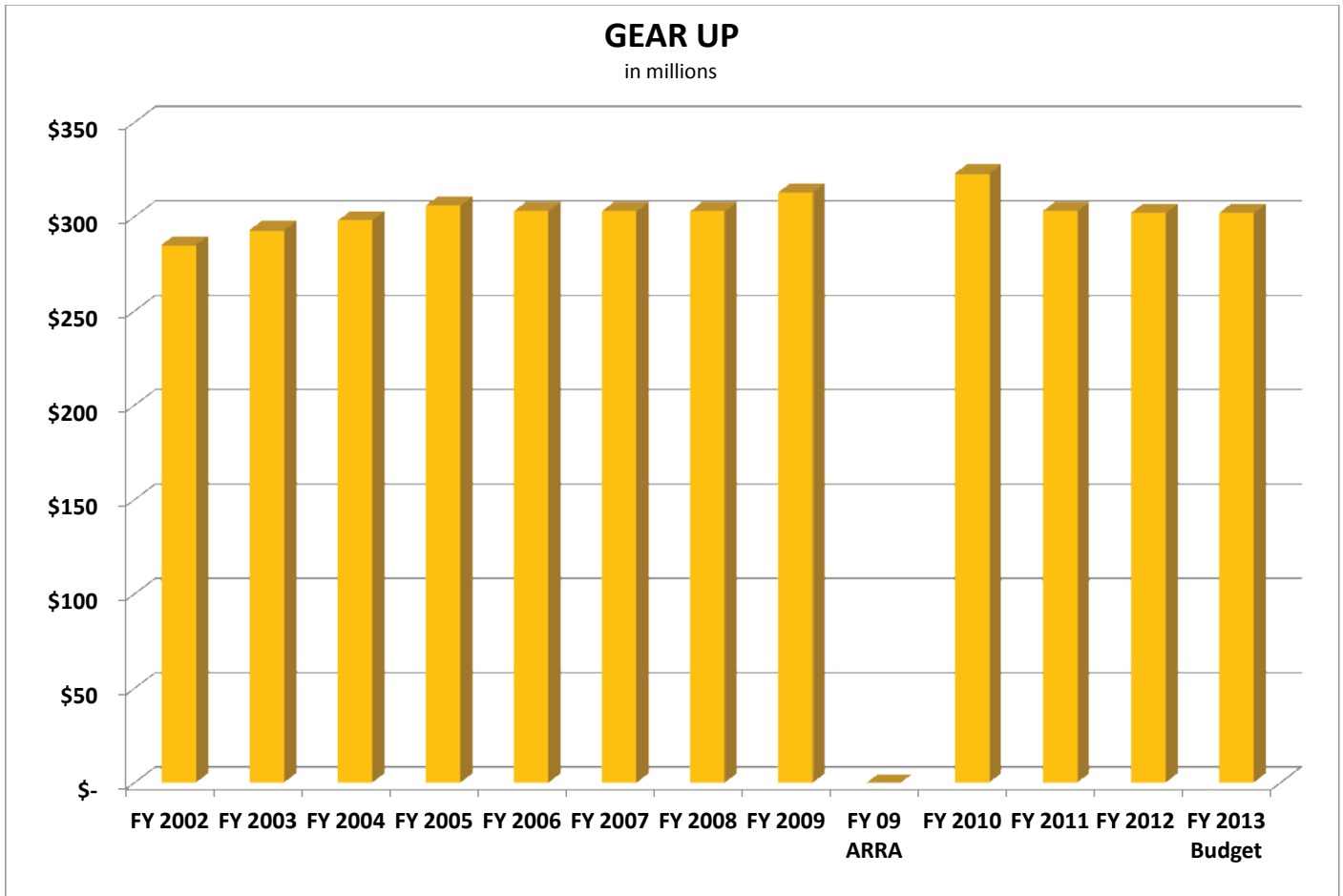
Impact of Sequestration

The sequestration process would result in a funding cut for GEAR UP of approximately \$23.6 to \$27.5 million in FY 2013 alone, shrinking the total population of students served by 59,000 to 68,800. Additionally, 160-185 direct jobs would be lost as a consequence of the across-the-board cut.

Program Need

Despite GEAR UP’s demonstrated success in increasing high school graduation and college enrollment rates and in improving college awareness and readiness for low incomes students, only a fraction of eligible students and communities benefit from the program. After sustaining losses of more than \$20 million over the last two years, an appropriation increase to \$323.21 would allow GEAR UP to serve 40,000 additional students in FY 2013.





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Student Aid Program Management

Title IV, Part D, Higher Education Act

Description

Section 458 of the Higher Education Act provides funds to support the administration of all federal student aid programs.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$ 992.01	\$1,043.39	\$1,126.36

Impact of President's Budget

Student Aid Administration provides the funding necessary for the Department of Education, primarily through the Office of Federal Student Aid, to properly administer the federal student financial aid programs. These programs are the nation's largest source of financial income for students and their families. They provide aid and assistance in the form of grants and loans to nearly 16 million students. Requested funds would support an increase in loan servicing costs due to the increased number of loans now held and originated by the federal government as a result of the transition to 100 percent Direct Lending. In fact, the Department will be providing services to an estimated 35.6 million students in 2013, more than two and one-half times the 13.5 million students served in 2009. In order to support the expanded demand on the Pell Grant program and the increased volume in loan originations, the budget request includes a 21 percent increase in this account.

Impact of Sequestration

The account would lose \$102.5 million under a sequestration order, reducing total funding to \$1023.86 million. This reduction would begin to constrain the contracted servicers of loans that may lead to higher student loan default and significant delays in loan resolution scenarios.

Program Need

The federal government has a responsibility to administer the federal student aid programs and its policies. These funds are required to carry out those activities in order to ensure the proper and timely delivery of these funds.

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Title III and Title V: Institutional Aid

Titles III and V, Higher Education Act

Description

Titles III and V of the Higher Education Act provide direct grants to institutions of higher education, serving a disproportionate number of minority, low-income, and first-generation college students, which have lower-than-average per-student expenditures. These highly competitive awards help institutions improve educational programs and related services for low-income and historically underrepresented populations. Eligible entities include institutions of higher education with specific programs for Historically Black Colleges and Universities, Tribally Controlled Colleges and Universities, Alaska Native and Native Hawaiian-Serving Institutions, Predominantly Black Institutions, Asian American and Native American Pacific Islander-Serving Institutions, Native American-Serving Nontribal Institutions, and Hispanic-Serving Institutions.

Funding History (in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
Title III (discretionary)	\$447.84	\$431.10	\$431.10
(mandatory)	\$166.50*	\$166.50*	\$166.50*
Total	\$614.34	\$597.60	\$ 597.60
Title V (discretionary)	\$113.73	\$109.44	\$109.44
(mandatory)	\$111.50*	\$111.50*	\$111.50*
Total	\$225.23	\$220.94	\$220.94

* These mandatory totals include funds provided by the Student Aid and Fiscal Responsibility Act (SAFRA) within the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) as well as mandatory appropriations provided under Title VIII, Part AA, Sections 897 and 898 of the HEA.

Impact of President's Budget

The Administration proposes to freeze discretionary funding for these programs. Funding for the Title III and Title V programs provide much-needed resources to the colleges serving the majority of disadvantaged and minority students, precisely the students who will make up the majority of tomorrow's workforce. Given the current economic downturn, significant funding is needed to ensure these institutions can maintain programs and expand their capacity to serve the growing number of minority and disadvantaged students.

Impact of Sequestration

Assuming enactment of the president's requested funding levels, support for Title III programs would decrease in the amount of \$39.23 million for an overall programmatic discretionary total of \$391.87 million, significantly reducing the number of anticipated new awards in 2013. For Title V programs, the reduction is estimated to be \$9.96 million for an overall programmatic discretionary total of \$99.48 million.

Program Need

Strengthening Institutions grants enable colleges to better serve large percentages of minority and disadvantaged students. Funds support programs that provide equal educational opportunity and strong academic programs and are used for improvements in instructional facilities, scientific equipment, curriculum development, faculty development and other areas that promote access and success.

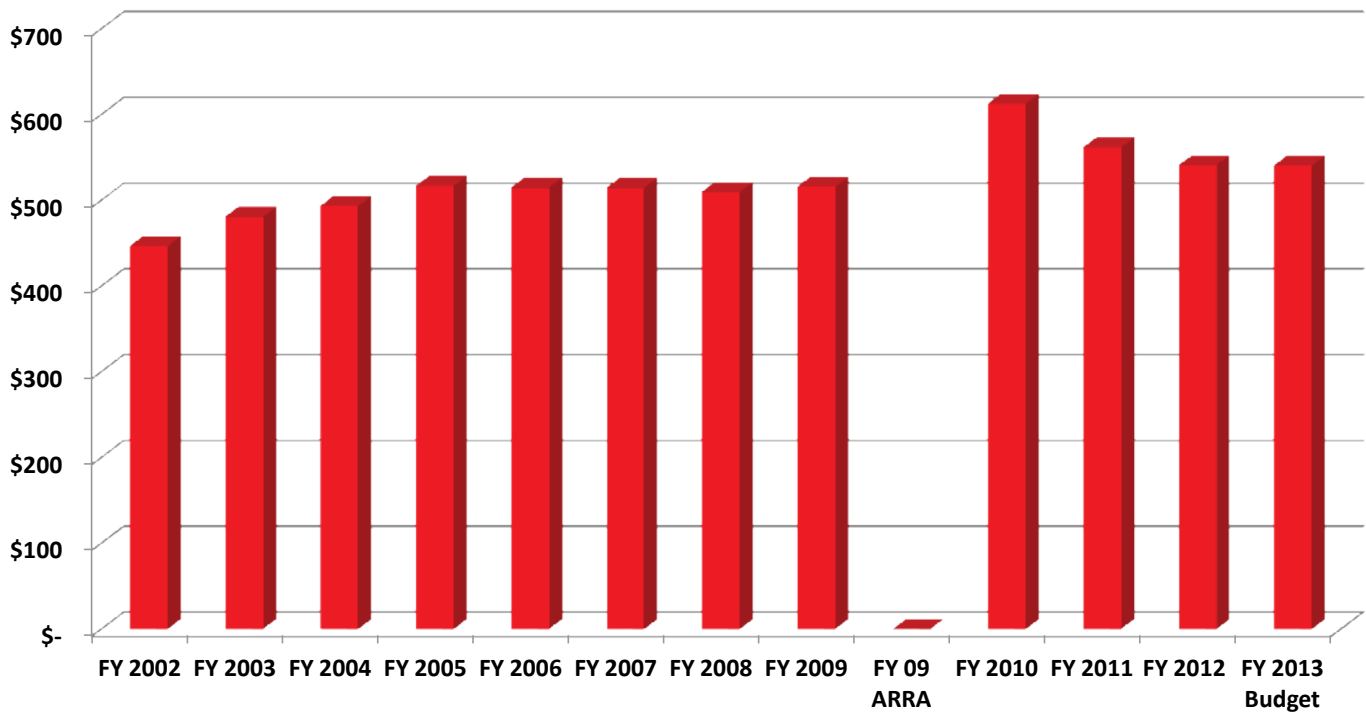
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Institutional Development (Higher Education) - Title III and Title V Discretionary Appropriations

in millions



Since FY 2008, there has also been mandatory funding provided for Institutional Development. Included in the FY 2013 budget is \$278 million.



International Education Programs and Foreign Language Studies

Title VI, Higher Education Act, and Section 102(b)(6), Mutual Educational and Cultural Exchange (Fulbright Hays) Act

Description

Title VI programs support comprehensive language training, study of world areas and cultures, academic research, curriculum development, and extensive outreach to educational institutions, including K-12. These efforts promote global competencies for American students and enhance their understanding of people around the world. Title VI programs offer resources and expertise that are important tools in serving the nation's economic, diplomatic, defense, and other national security needs. Programs also enable university collaborations on international issues with federal, State and local agencies, business and industry, and the military. Fulbright Hays supports overseas study and research opportunities for American students and faculty.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$75.73	\$74.04	\$75.73

Impact of President's Budget

The president proposes a \$1.7 million increase in funding for Title VI and Fulbright-Hays programs, in part to focus on increasing the global competency of American students, including those from traditionally disadvantaged groups. While the increase is appreciated, the Title VI total is \$50 million below the FY 2010 level. This downward funding trend erodes the federal investment in international engagement across professions when the need for global understanding and foreign language proficiency is great, particularly in critical areas of the world. If federal funding for Title VI programs is not increased, our nation's capacity and expertise in languages less frequently taught and research and study of these areas of the world are at risk.

Impact of Sequestration

Because of budget cuts sustained in recent years—\$50 million in FY 2011 alone—institutions receiving Title VI support already have had to make difficult choices about continuation of programs. A large number of students have been adversely affected by these cuts. Universities have supported continuation of some of the activities that were severely cut in 2011. However, without federal funds that leverage additional public and private support, schools are unlikely to be able to sustain these activities. An across-the-board cut of \$6.89 million will obviously worsen the situation.

Program Need

A new infusion of funding for Title VI/FH is needed to strengthen the investment in international education and to ensure a robust pipeline of individuals with global understanding and language expertise. Additional funding would enhance the capacity of the National Resource Centers, increase the number of undergraduate and graduate fellowships in foreign language and area training, broaden the availability of instruction in critical foreign languages, and infuse an international dimension into professional education. More funding would also increase the training of American business personnel to compete globally and increase strategic collaborations within and among educational institutions. Intensified efforts are needed to address the severe shortage of American citizens who can speak less commonly taught languages and to strengthen our nation's competitive advantage.

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Graduate Education

Title VII, Higher Education Act

Description

The primary federal scholarship assistance for graduate students in the Department of Education is provided through the Graduate Assistance in the Areas of National Need (GAANN) and the Jacob K. Javits Fellowship (Javits) programs. These programs support many of the brightest graduate students in the country. GAANN funds graduate students of superior academic ability and high financial need through their institutions in academic fields deemed by business leaders and others to be areas of national need required to keep America competitive. Javits awards are highly competitive portable fellowships to students pursuing graduate degrees in the social sciences, the arts, and the humanities.

Funding History (*in millions*)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
GAANN	\$30.97	\$30.91	\$30.91
Javits	\$8.08	\$0*	\$0*

**Consolidated into the GAANN program.*

Impact of President's Budget

The president's budget continues the consolidation of the Javits fellowship program into the GAANN program. GAANN will award grants to institutions to support talented graduate students with high financial need, and participating schools must seek talented students from traditionally underrepresented backgrounds. The Department will use part of these funds to award non-competing continuation Javits awards. Javits and GAANN are very different programs, and the Department of Education has not yet released details about the consolidation.

Impact of Sequestration

An additional cut of 9.1 percent would hit the graduate education programs particularly hard. The demonstrated need for the Javits program far exceeds the funds available. Federal funding of talented graduate students is a key element in driving excellence and innovation in business, academia, and government, and in contributing to our nation's renewed economic well-being.

Program Need

A stronger national commitment to graduate education is needed to assure a continued pipeline of qualified professors who will mentor and train the teachers and students of tomorrow. Erosion of fellowship support in the GAANN and Javits programs will affect talented and knowledgeable individuals at the nation's top research universities who add to our nation's economic competitiveness, innovation, and national security. Javits is especially important because it is the only federal program supporting advanced academic pursuits in the humanities and the arts.

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Child Care Access Means Parents in School (CCAMPIS)

Title IV, Higher Education Act

At St. Louis Community College (STLCC) the Child Care Access Means Parents in School program serves low-income Pell-eligible students with financial support for their child care needs. The CCAMPIS program also provides educational workshops on financial management, literacy, educational play and child development, success strategies for college parents, and children's physical and mental health. Over 300 students have participated in STLCC's CCAMPIS program since 2009. With this assistance, STLCC has been able to provide a sliding scale fee for campus child care services, maintaining a low campus care hourly rate.

Description

The CCAMPIS program supports the participation of low-income parents in postsecondary education through campus-based child care services. Grants ranging from \$10,000 to more than \$300,000 are awarded through a competitive process to institutions of higher education that enroll large numbers of Pell Grant recipients. In addition to campus-based child care for infants and toddlers, the program also funds before- and after-school care for older children and parenting classes.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$16.00	\$15.97	\$15.97

Impact of President's Budget

While there are hundreds of campus child care centers in the United States, they are only able to meet a small percentage of the demand for services. Expanding access to on-campus childcare helps increase access to higher education for low-income students and increases retention, especially for single parents.

Impact of Sequestration

If sequestration results in an across-the-board cut to this program, hundreds of low-income students with dependent children currently enrolled in campus-based childcare programs will have to pay more for child care, reduce their course loads, or withdraw from college.

Program Need

The president's proposal freezes funding for the program at \$15.97 million. While this funding level will support 55 existing projects and 100 new projects, more is needed to meet the demand. Without an increased investment, access to quality childcare still will not be available to thousands of low-income students across the country. This directly impacts college enrollment for students with young children and often is cited as the reason why they withdraw prior to completing a certificate or degree.

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Teacher Quality Partnership Grants

Title II of the Higher Education Act

Erin Blinck completed a teacher residency through Georgia State University's NET-Q program, funded by the Teacher Quality Partnership Grant Program. After a short time in an unsatisfying corporate sales career, she returned to school to fulfill her dream of being a mathematics teacher. As a NET-Q teacher resident, she served full-time in the classroom under the supervision of a master teacher for an entire school year in addition to completing her master's coursework. The NET-Q program prepared Ms. Blinck to move into a classroom at a Title I school with the knowledge and skills she needs to effectively foster student learning.

Description

This program awards competitive grants to partnerships of high-need school districts, high-need schools, and institutions of higher education to improve and expand teacher recruitment and preparation opportunities.

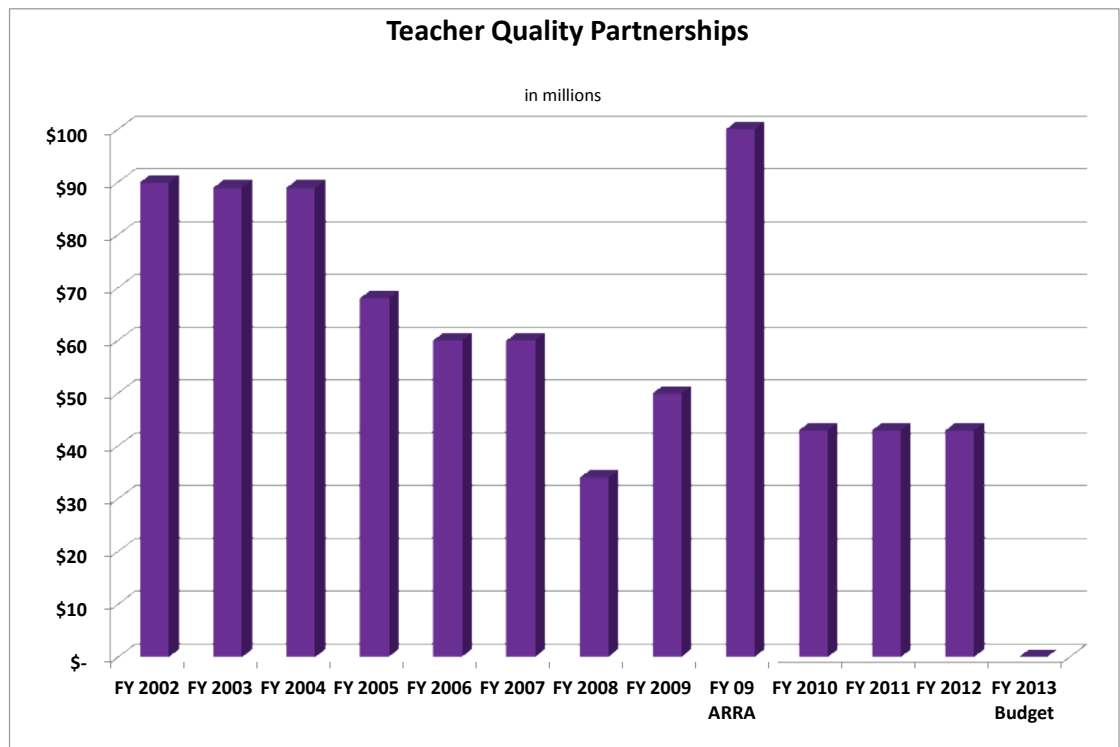
Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$42.91	\$42.83	\$0*

*Funding for this program would be consolidated into the proposed "Teacher and Leader Pathways" set-aside in the Effective Teachers and Leaders State Grants.

Impact of President's Budget

The president's budget would eliminate this program and replace it with a set-aside in the Effective Teachers and Leaders State Grants to support similar activities. The total funding for the new set-aside would be approximately \$617 million and would support efforts to build evidence on how to best recruit, train, and support effective teachers and leaders and invest in efforts to enhance the profession. If the president's proposal is accepted, it would eliminate dedicated funding for higher education based teacher preparation under the Higher Education Act.



Prior to FY 2008 funds were provided under the antecedent Teacher Quality Enhancement program. The FY 2013 budget proposes to consolidate this program into a new Teacher and Leader Pathways program funded at \$74.7 million.

Impact of Sequestration

Sequestration would result in an almost \$4 million reduction of the current allocation. This would eliminate any new grants, hampering the transformation of higher education based teacher preparation programs. As current grantees see their awards decrease, the number of teacher candidates in future cohorts would also likely decrease. A number of the over 500 high-need schools in partnerships with grant recipients would not get the teachers they need or have teacher candidates practicing with their staff to prepare them for their first teaching jobs. It would mean significant reductions in professional development opportunities for teachers in high-need schools, fewer induction/



mentoring programs for new teachers, and limited implementation of curriculum reforms in teacher preparation programs. Reduction of this funding would also prevent partnerships from building much needed data systems to follow graduates into the teaching field to better understand teacher employment and retention, the impact of teachers on student learning, and the effectiveness of preparation programs.

Program Need

Institutions of higher education prepare over 85 percent of all new teachers. Preparation programs must ensure teachers have the content knowledge and pedagogical skills to be successful in the classroom. Funding should be increased to support development of programs that include extensive clinical and induction components. Research shows both factors are key elements of teacher quality and retention. Grants can be used to strengthen clinical components of pre-baccalaureate teacher preparation and to develop one-year master's level teaching residency programs geared to preparing career-changers to teach in high-need subject areas and schools. As unemployment persists, this program is ideal to help individuals who are seeking a stable rewarding new career. The first grants for this newly authorized program were awarded in September 2009. Funds disbursed under ARRA (\$100 million) were awarded in March 2010.

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The America COMPETES Act

Teachers for a Competitive Tomorrow: Baccalaureate & Master's STEM and Foreign Language Teacher Training

Description

This program provides competitive grants to institutions of higher education to develop bachelor's degree programs in STEM fields and critical languages with concurrent teacher certification. Grants are available to establish part-time master's degree programs for teachers to improve content knowledge and pedagogical skills in STEM fields and critical languages and to develop one-year master's degree programs for STEM and critical-languages professionals to gain teacher certification.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$2.18	\$0	\$0*

**Funding for this program would be consolidated into the proposed "Teacher and Leader Pathways" program.*

Impact of President's Budget

This program is not funded in the president's FY 2013 budget proposal.

Program Need

This program invests in building the capacity of higher education institutions to prepare more teachers in the STEM fields and critical languages and to provide high-quality professional development for K-12 teachers in these disciplines. The shortage of teachers in these fields is a national crisis that impacts the ability of America to remain competitive in the global workforce and to remain a leader in innovation. This program also supports institutions of higher education in building master's degree programs that will attract STEM professionals with significant content knowledge to the K-12 classroom.

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Community College to Career Fund

Description

The Administration proposes to create a new Community College to Career Fund designed to train two million workers with skills leading directly to employment. Jointly administered by the Departments of Education and Labor, the fund would provide \$8 billion over three years to develop partnerships between community colleges and businesses to train skilled workers. In addition to providing training, the program would support paid internships for low-income community college students to enable them to earn college credit while gaining valuable work experience in high-skill fields. In addition, the fund would provide support for regional or national industry sectors to develop skills consortia to identify pressing workforce needs and develop solutions. The fund also would support pay-for-performance strategies providing incentives to training providers to ensure individuals find permanent jobs. In addition, the Fund would support grants to State and local governments to encourage companies to locate in the United States by addressing their specific workforce training needs. The Community College to Career Fund also would provide training for 5 million small business owners to develop pathways to entrepreneurship.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
—	—	\$8 billion*

**Mandatory funding.*

Impact of President's Budget

The president would provide \$8 billion over three years to support partnerships between State and community colleges and businesses to provide American workers the skills explicitly sought by employers. The Department of Education would receive \$1.333 billion per year in FY 2012, FY 2013, and FY 2014.

Program Need

During the recent economic downturn, community college enrollments have increased dramatically, on average by 22 percent since 2007. Given the current gap between skills of unemployed workers and what is required for success in available job openings and shrinking State and local budgets, community colleges need federal assistance to improve and expand their programs to meet local and regional labor market demands.

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Race to the Top: College Affordability and Completion

Description

The president propose a new competitive grant program for States to develop and implement systemic reforms in higher education focused on reducing costs for students and promoting success in higher education at public colleges.

In exchange for the federal grants, governors and State legislatures would agree to:

- Revamp the structure of State financing of higher education.
- Align entry and exit standards between K-12 education and colleges to facilitate on-time completion.
- Maintain adequate levels of funding for higher education.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
—	—	\$1,000.00

Impact of President's Budget

This program rewards States with strong records of promoting access to higher education for students from low-income families, offering high quality programs, ensuring students complete their degrees, and addressing affordability. States would use the funds, among other purposes, to provide greater value to students through improved undergraduate experiences, new paths to credit attainment and degrees, and increased capacity.

Program Need

Public institutions serve two-thirds of four-year college students. Therefore, it is important to address causes of rising costs, assure quality postsecondary programs, and improve students' productivity and completion rates. The new funds will help States develop and implement cost-saving measures like redesigning courses and making better use of education technology, to help institutions keep costs down and provide greater affordability for students.

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First in the World

Description

The president's budget proposes the Department of Education use its discretionary grant authority under the Fund for the Improvement of Postsecondary Education (FIPSE) to initiate a new First in the World (FITW) competition to improve the long-term productivity in higher education. The FITW competition would use a tiered-evidence framework modeled in elementary and secondary education grant programs, which identifies, validates, and brings to scale innovative and effective practices.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
—	—	\$55.50



Impact of President's Budget

The investment of \$55.5 million in the First in the World grants, with up to \$20 million going directly to minority serving institutions, will provide individual institutions and nonprofit organizations with start-up funds to develop, validate, or scale up inventive strategies for boosting efficiency and enhancing quality on campuses. Projects would lead to longer-term and larger productivity improvements among colleges and universities, such as course redesign through the improved use of technology, early college preparation activities to lessen the need for remediation, competency-based approaches to gaining college credit, and other ideas aimed at transforming postsecondary education.

Program Need

The FITW competition is part of the federal effort to drive innovation at the institutional level and to fund promising projects that, after rigorous evaluation, might be successfully replicated and brought to scale. For example, FITW will provide funds to colleges and universities to improve productivity and program completion, reduce time-to-degree, and lower instructional costs. Through these activities, grantees will gather needed evidence about what works to reduce costs and improve postsecondary education outcomes.

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Hawkins Centers of Excellence

Description

A new competitive grant program, the Hawkins Centers of Excellence would provide funds to Minority-Serving Institutions (MSI) to improve and expand their teacher education programs.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
—	—	\$30.00

Impact of President's Budget

The Hawkins Centers of Excellence program would help increase the number and quality of effective minority educators by expanding and reforming teacher education programs at MSIs.

Program Need

Minority-serving institutions are a significant resource in strengthening the pipeline for preparing a diverse teaching force.

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Part IV: Forging Success — Educational Research, Statistics and Improvement

The Institute of Education Sciences

Title I, Education Science Reform Act

Description

The Institute of Education Sciences (IES) houses major programs of federal education research and development, statistics, assessments, and program evaluation. The IES Director oversees the operation of the Institute through four national centers: the National Center for Education Research, the National Center for Education Statistics, the National Center for Education Evaluation and Regional Assistance, and the National Center for Special Education Research.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$608.79	\$593.66	\$621.15

Impact of President's Budget

The president proposes an increase of \$27.5 million above the FY 2012 level for IES. The percentage increases proposed by the president are greatest in three areas: research, statistics, and statewide data systems. The request would enable IES to invest in new grants under existing programs of research and development in areas where our knowledge of learning and instruction is inadequate.

Impact of Sequestration

State and local school improvement efforts have called attention to the need for a more robust research platform to support education innovation. While the president's budget request acknowledges the need for increased quality research to support innovation, the impact of sequestration would pose a serious setback in the federal government's attempt to provide an adequate investment to support a broad range of research, development, and evaluation activities demanded by educators and policymakers.

Program Need

The president's proposed increase would support investments in research, development, and evaluation to build a rich evidence base on what works and make this evidence more accessible to practitioners and policymakers. Despite decades of education research and the recent growth in research that explicitly addresses improving learning in subjects such as reading and mathematics, there continue to be many unanswered questions about how children and adults learn and how best to support that learning. Continued investment in the long-term programs of research is necessary to accumulate empirical knowledge and develop theories that will ultimately result in improved academic achievement.

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Regional Education Labs

Title I, Education Science Reform Act

REL-Southeast conducted a well-powered, large-scale effectiveness study in the Mississippi Delta region to test the impact of Kindergarten PAVEd for Success (K-PAVE) on students' vocabulary. K-PAVE is a set of kindergarten instructional vocabulary strategies designed to promote students' vocabulary development through interactive book reading, explicit vocabulary instruction, and teacher-child conversations built around enhanced use of vocabulary. The REL-Southeast study found K-PAVE had a significant positive impact on students' vocabulary development, oral language comprehension, and academic knowledge. Kindergartners who received the K-PAVE intervention were one month further ahead in vocabulary development at the end of kindergarten compared with their peers who did not receive the intervention. It would be like adding an extra month of instruction for participating K-PAVE classroom kindergartners. The study was conducted in 33 school districts and 65 schools in and around the Mississippi Delta region with nearly 1,300 kindergarten students.

Description

The Regional Educational Laboratory program is composed of a network of 10 laboratories that serve the education reform and school improvement needs of designated regions through conduct of rigorous research studies and rapid response reports.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$57.54	\$57.43	\$57.43

Impact of President's Budget

Funds under the president's budget request would be used to support the second year of the 5-year REL contracts at the FY 2012 level and would continue the important work of the RELs in providing a bridge between education research and practice. This investment continues to emphasize the need for conducting and disseminating rigorous research, while also addressing stakeholder concerns and ensuring REL activities are aligned with other federal education investments and initiatives.

Impact of Sequestration

A 9.1 percent reduction in the RELs' budget would seriously constrain the ability of the RELs to complete studies that are currently underway, in addition to reducing the scope of work that could be undertaken in future years.

Program Need

Districts and schools throughout the nation are under intense pressure to raise student achievement and close achievement gaps. Education policymakers and other decision-makers have never been more in need of trustworthy education research, as well as guidance in how to use it. The RELs serve as a necessary bridge between education research and practice, with an emphasis on providing technical assistance in performing data analysis functions, evaluating programs, and using data from State longitudinal data systems for research and evaluation that address important issues of policy and practice.

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Education Research, Development and Dissemination

Title I, Education Science Reform Act

Description

This budget line provides support for the Department's core education research programs. It includes the National Research and Development Centers that address specific topics such as early childhood development and learning, testing and assessment, and reading comprehension. These funds also support the What Works Clearinghouse, the Education Research Information Clearinghouse, and impact studies.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$199.80	\$189.79	\$202.27

Impact of President's Budget

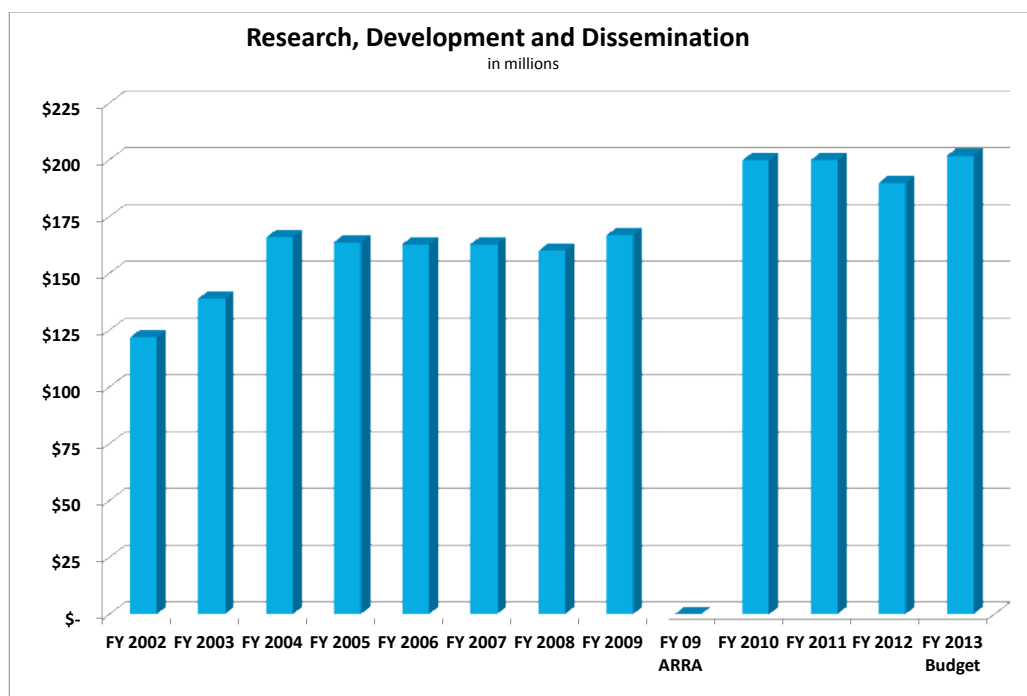
The president's budget requests \$202.3 million for research, development, and dissemination, an increase of \$12.5 million over the FY 2012 level. The requested increase would support critical investments in education research, development, dissemination, and evaluation that provide parents, teachers, and schools with evidence-based information on effective educational practice. The request would enable IES to invest in new grants under existing programs of research and development in areas where knowledge of learning and instruction is inadequate. The FY 2013 request also would support ongoing dissemination activities including the What Works Clearinghouse, the Education Resources Information Center, and the National Library of Education.

Impact of Sequestration

The federal investment in education R&D, even with the proposed \$12.5 million increase, continues to be among the smallest of the federal research agencies and is simply inadequate to support development and assessment of the evidence-based programs demanded by educators and policymakers. Further reducing this investment through the mechanism of sequestration would eliminate the possibility for any new grants under existing programs of research and development.

Program Need

While the programs within IES provide a structure and leadership for research, development, and dissemination, all three activities suffer due to having inadequate resources. Additional support to investigate issues of scaling up and diffusion of knowledge are critical to achieving school reform.



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National Center for Education Statistics

Title I, Education Science Reform Act

Description

The National Center for Education Statistics (NCES) provides objective and scientifically based statistical reports on the condition of education in the United States. The Center conducts an integrated set of longitudinal studies invaluable to policy makers and analysts in appraising a range of education topics. Additionally, NCES works collaboratively with States to develop systems that will meet the education data needs of the future. Data from the statistics and student assessment programs help policymakers set curriculum, instruction, and student-performance standards.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$108.30	\$108.75	\$114.75

Impact of President's Budget

The president proposes a \$6 million increase for NCES. Increased funding would support development of procedures permitting individual States to compare the performance of their students with those of other countries participating in the Program for International Student Assessment (PISA). Additional funds would also increase the agency's capacity to provide technical assistance to States to improve the quality of student databases and U.S. participation in a new international assessment of adult competencies. The increase also would be used to support additional data collection for the Early Childhood Longitudinal Study.

Impact of Sequestration

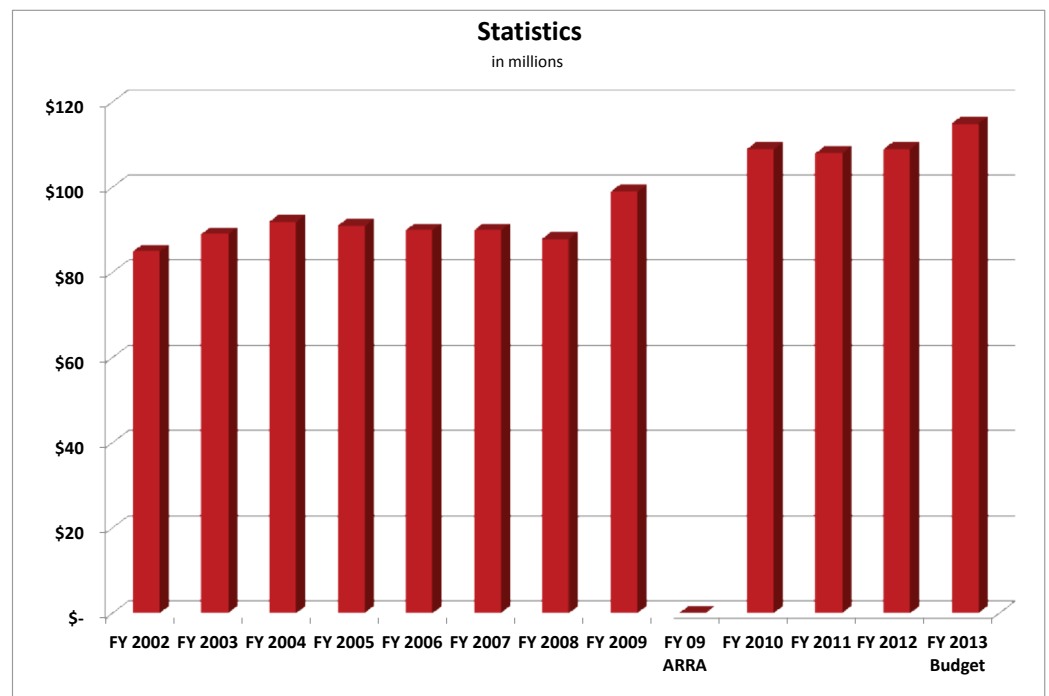
Reductions in the NCES budget have both immediate and long range negative consequences. Immediately, a substantial reduction will threaten the ability of the agency to assure continued quality and utility of ongoing databases that have proven to be beneficial to federal, State, and local education policy makers. Efforts to assist States in developing their improved data systems will be scaled back, and participation in the PISA study will be terminated. In the longer term the amount of the proposed sequestration will preclude undertaking new surveys to meet new national data needs.

Program Need

In addition to maintaining and expanding its current databases and surveys, NCES needs to move forward aggressively with strategies that will meet the data needs of the future: increasing the capacity of States to develop and utilize new databases; exploration of new technologies for gathering data; and, advancing training in new techniques, data development and analysis.

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National Assessment of Educational Progress

Title I, Education Science Reform Act

Description

The National Assessment of Education Progress (NAEP) is the only representative and continuing assessment of American students' achievement. NAEP "report cards" report on the educational achievement of students at specific grade levels and can be augmented to provide information about special subpopulations (e.g., minorities, urban schools). It provides an objective national standard for appraising State-developed achievement standards and makes objective information on student performance available to policymakers, educators, parents, and the public.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$129.86	\$129.62	\$124.62

Impact of President's Budget

President Obama proposes to reduce funding for national assessment by \$5 million in FY 2013. The Administration suggests that even with a nearly 4 percent reduction in funding, the agency will be able to meet its mandated assessment schedule. No evidence in terms of the required schedule or the nature of assessments to be conducted is provided to support this assertion.

Impact of Sequestration

Assessment frequency is established by statute, and this schedule will be maintained even under sequestration. However, additional assessment activities that have proven beneficial to policymakers, such as assessments of education progress in urban areas, would be reduced substantially.

Program Need

National and State school reform efforts depend on objective and comprehensive measures of student achievement. NAEP provides the gold standard of student assessments, but it measures only a few subjects on a regular basis and needs to expand its portfolio of subjects to provide policy makers with more comprehensive information. Additionally, NAEP must reassess its role in light of the growing number of State-level consortia and new assessment procedures.

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Research in Special Education/Special Education Studies and Evaluation

Title I, Education Science Reform Act

Description

This account supports research to address gaps in scientific knowledge in order to improve special education and early intervention services and results for infants, toddlers, and children with disabilities. The Special Education Studies and Evaluation appropriation supports competitive grants to assess the implementation of the Individuals with Disabilities Education Act (IDEA) and the effectiveness of special education and early intervention programs and services.

Funding History (*in millions*)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
Research in Special Education	\$50.98	\$49.91	\$49.91
Studies and Evaluation	\$11.44	\$11.42	\$11.42

Impact of President's Budget

The president's budget proposes a funding freeze for Research in Special Education and for Special Education Studies and Evaluation. This proposal would maintain the FY 2012 level of support for new programs of research on families of children with disabilities and technology for special education, as well as ongoing programs, including research to improve the developmental outcomes and school readiness of infants, toddlers, and young children with disabilities. The request also would support a new evaluation of Positive Behavioral Interventions and Supports, a school-wide approach to address behavioral challenges.

Impact of Sequestration

The capacity of the field to conduct rigorous and relevant research on topics specific to the education of individuals with disabilities is still developing. While the sequester would mandate an approximate \$4.5 billion cut to the Department of Education's budget starting in January of 2013, it would have a more long term impact by decimating IES's ability to support a broad range of research, development, and evaluation activities necessary for building a scientific enterprise that can provide solutions to the nation's special education challenges.

Program Need

Research in special education provides knowledge that is beneficial in understanding ways to improve the education for all children, not just the target population. However, these understandings are difficult to achieve, and much more research and development is required to meet the educational needs of children with disabilities.

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Statewide Data Systems

Title I, Education Science Reform Act

Description

Statewide Data Systems funding provides grants to States to help design, develop, and implement longitudinal data systems that can track individual students throughout their school career. The data systems developed with funds from these grants should help improve data quality, promote linkages across States, promote the generation and accurate and timely use of data for reporting and improving student outcomes, and facilitate research to further improve student outcomes.

Funding History (*in millions*)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$42.17	\$38.08	\$53.08

Impact of President's Budget

The president's budget proposes an increase of \$15 million above the FY 2012 appropriation. The proposed \$15 million increase would support postsecondary data initiatives designed to improve information on students as they progress from high school to postsecondary education and the workforce. Such data are essential for measuring the success of many of our programs and initiatives.

Impact of Sequestration

States are discovering that implementation and use of longitudinal data systems are considerably more complex than many originally envisioned. In addition to technical issues related to actual data system development and implementation, States are encountering challenges such as declining State resources to support the sharing of data across agencies. While States are doing a better job of collecting and using data to improve student outcomes, the impact of sequestration would all but eliminate States' internal capacity to collect, analyze, and use data to further improve student outcomes.

Program Need

Every State needs a high-quality longitudinal data system that includes data elements necessary to inform decision-making at all levels of the education system. It is evident that States still need national support to link data across the P-20 workforce pipeline and build capacity for using the data throughout the system.

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Part V: Education-Related Programs — Meeting the Human Needs of America's Children

Head Start

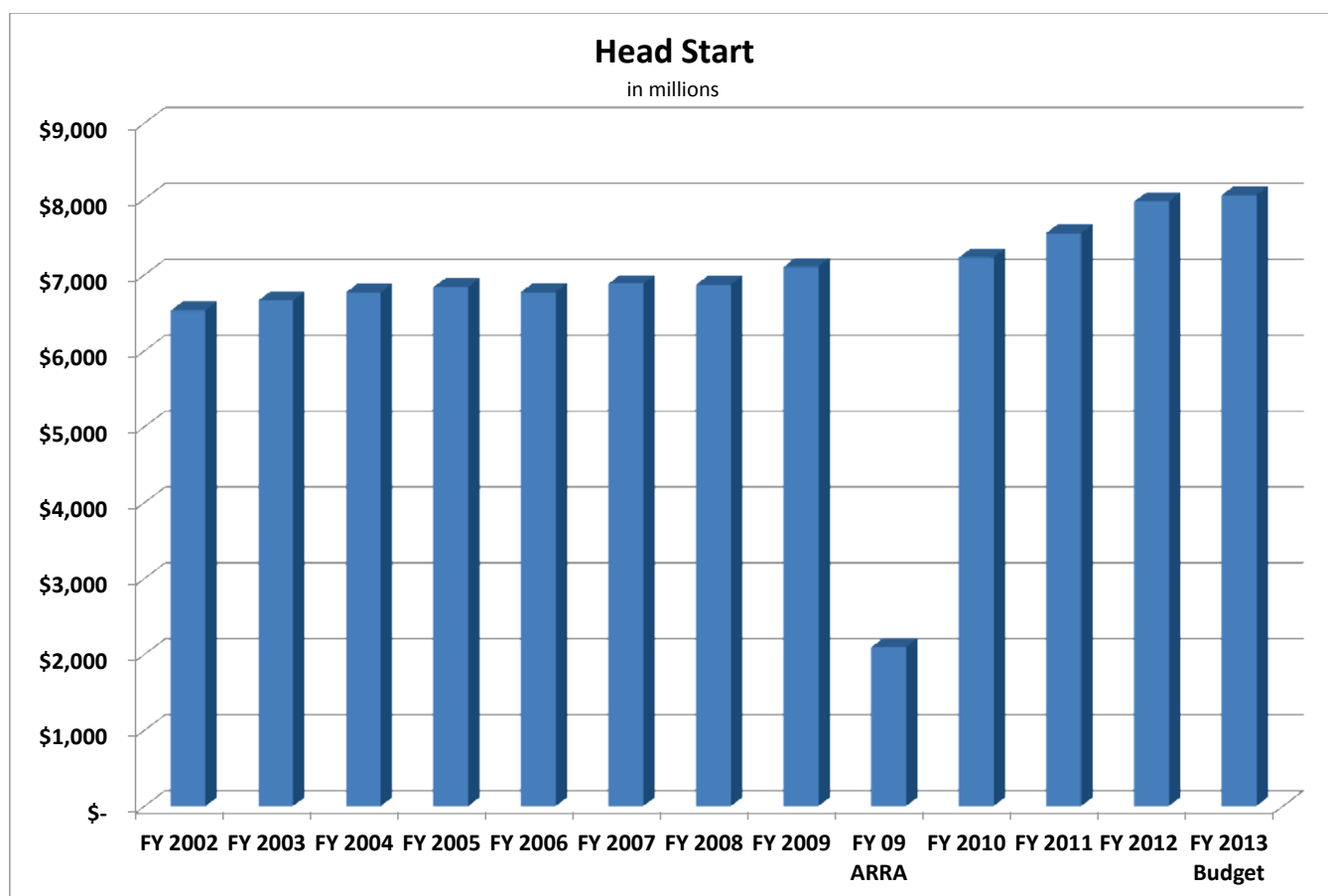
Economic Opportunity Act of 1964

Growing up as the youngest of six children in a single-parent household that moved constantly, Chuck Mills says Head Start was one of the only constants in his childhood. He credits Head Start with giving him a foundation to develop his entrepreneurship. When speaking about the importance of Head Start, Chucks says, "If we think about Head Start as a program from an economic perspective, as opposed to simply a social program, and as a program that can take children and teach them how to be successful on their own with no additional government assistance, then we can all conclude that Head Start is a fantastic place to not only give a kid an early childhood education, but to also start the basic foundation of economic prowess and economic success...I'm living proof of it." Chuck claims that if he can succeed, then so can anyone else.

--First Five Years Fund

Description

Head Start, administered by the U.S. Department of Health and Human Services, provides grants to schools and community organizations to help prepare economically disadvantaged children for school and provide them with immunizations, health checkups, and nutritious meals. Head Start promotes the social, emotional, and cognitive development of children by providing educational, health, nutritional, social, and other services to enrolled children and families. Head Start also places a strong emphasis on engaging parents in their children's learning. The Early Head Start program provides similar services to families with infants and toddlers, years critical to child development.



Funding History *(in millions)*

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$7,560.00	\$7,969.00	\$8,054.00

Impact of President's Budget

The president's budget proposes a funding increase of nearly \$86 million over FY 2012 levels. While this amount means that many eligible children still will not be able to access the opportunities provided by Head Start, the budget proposal allows the 962,000 children that are currently supported through Head Start to continue their participation. The request also allows the Administration to further its work implementing key provisions of the Head Start reauthorization, focused on constantly improving program quality.

Impact of Sequestration

Head Start would be affected by sequestration. If carried out, the 9.1 percent cut from sequestration could result in a loss of nearly \$733 million for Head Start. An estimated 90,000 students would lose services, thus entering school less prepared.

Program Need

Research has shown that funding early childhood education is one of the most cost-effective investments to close the achievement gap and prepare children for success in school and later in life. According to Nobel Laureate economist James Heckman, high quality early learning opportunities provide nearly a \$7 return for every one dollar spent. Even with recent increases, funding levels are still insufficient to cover the existing need. Only a small percentage of eligible children are enrolled in Early Head Start, and many eligible preschool-age children do not participate in Head Start, missing out on the comprehensive education, health, and social service benefits.

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Child Nutrition Programs

National School Lunch Act and the Child Nutrition Act

"I have been a part of the WIC program for about 18 months. The help my family has received from WIC has been tremendous. My husband and I have a 3 year old and a 1 year old. My husband was laid off twice in less than a year's time, and we've been struggling to recover and stay afloat as he makes a major career change. The milk from WIC is what nourishes our two boys. The cheese is used on sandwiches. The eggs are cooked for breakfast. We are so grateful for the help WIC has offered us during such a difficult and stressful season of our lives. The WIC products have helped offset our grocery bill every month in a major way."

-WIC Participant, Pierce County, WA (Courtesy of the National WIC Association)

Description

The National School Lunch, School Breakfast, Special Milk, Summer Food Service, and Child and Adult Care Food programs are mandatory accounts administered by the Department of Agriculture. The Special Supplemental Food Program for Women, Infants, and Children (WIC) is a discretionary initiative. All of these programs help ensure students are well fed and able to focus on academic success. For example, the National School Lunch program operates in public and nonprofit private schools and residential child care institutions, providing nutritionally balanced low-cost or free lunches to children each school day. All of these programs were reauthorized through the Healthy, Hunger-Free Kids Act of 2010.

Funding History (in millions)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
Child Nutrition	\$17,324.00	\$18,151.00	\$19,694.00
WIC	\$ 6,734.00	\$ 6,618.00	\$7,041.00

Impact of President's Budget

The president's budget estimates the mandatory and discretionary costs for programs in order to provide benefits to eligible children. These costs cover support payments for all eligible meals. Although President Obama made significant cuts in this year's budget, child nutrition saw an increase over past years. Many child nutrition programs are mandatory programs, and additional funding is needed to cover rising caseloads and serve all eligible participants. The president's budget accounts for programmatic improvements and this rise in need through an increase of \$1.54 billion. The request anticipates that 32.4 million children will participate in the National School Lunch Program and 13.1 million children in the School Breakfast Program in FY 2013.

In key discretionary areas, the president's budget request funds WIC at approximately \$423 million above FY 2012. This funding level is expected to maintain the projected caseload of 9.1 million participants. Investments are increased for the Fresh Fruit and Vegetable Program, an effort that gives schools in low-income areas the resources to provide fresh fruits and vegetables to elementary age children. New this year, the president also proposes \$35 million for competitive grants to fund school meal equipment needed for the implementation of the new school meal standards and an expansion of the school breakfast program

Impact of Sequestration

WIC would be the largest nutrition program affected by sequestration and would be subject to the 9.1 percent cut. Based on anticipated funding levels, this is expected to be around a \$600 million cut, dropping funding to \$6 billion. It is estimated that hundreds of thousands of participants, possibly as many as 700,000, would be cut from WIC. The Special Milk Program would be affected as well, taking much needed resources away from schools.

Program Need

Numerous studies document that hunger and inadequate nutrition have negative effects on school attendance, learning, behavior, and productivity. The federal child nutrition programs play a critical role in addressing these conditions. As the economy recovers from the recession, it is more important than ever that these programs reach and assist all eligible children. Many programs have been faced with higher than normal requests for assistance as many families' economic situations have changed recently.

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Medicaid: Early and Periodic Screening, Diagnosis and Treatment Programs

Title XIX, Social Security Act

In 2011 the California Parent-Teacher Association urged the Super Committee to protect School Based Medicaid during their deliberations. Given the \$18 billion dollar cut that California schools have suffered over the last three years, a cut to School Based Medicaid could bankrupt some school districts already shouldering special education and other health related costs. Medicaid funds flow to school districts with the greatest need, assisting them in meeting the costs of providing mandated related services.

Description

Medicaid programs work through State and local health agencies and other service providers to detect and treat eligible low-income children and adults for a broad range of health deficiencies, such as speech, hearing, vision, and dental problems or physical impairments. Many schools participate in the Medicaid program, in order to address child health problems that often have a detrimental effect on academic performance. Most of the medical services reimbursed to schools under Medicaid are provided to children with disabilities. Regulations issued by the Department of Health and Human Service (HHS) under the previous Administration sought to eliminate Medicaid reimbursements for many school-based services and administrative activities, as well as other types of services. The current Administration rescinded the previous school-based services and administrative activities regulations, as well as other related regulations limiting services to low-income children and adults.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$274,964	\$255,263*	\$282,819

* FY 2012 outlays estimated.

Impact of President's Budget

The president's FY 2013 budget estimates 28 million children will receive Medicaid services, half of all individuals served in the Medicaid program. The number of Medicaid beneficiaries continues to grow in FY 2013. However, a major increase is projected in 2014 under the provisions of the Affordable Care Act that extends Medicaid eligibility to all individuals with family incomes up to 133 percent of the federal poverty level in every State. Although the federal government will pay 100 percent of the costs for these newly eligible individuals for three years and at least 90 percent thereafter, a group of States has appealed this new eligibility requirement to the Supreme Court. For school-based services, the lifting of previously restrictive regulations has allowed school districts to continue to receive critical reimbursements for Medicaid-eligible services provided to eligible students at school sites.

Impact of Sequestration

The Medicaid Program is specifically exempt under the Budget Control Act of 2011 from the across-the-board sequestration of funds.

Program Need

Restrictions imposed by the Centers for Medicare and Medicaid Services (CMS) constrained the ability of school districts to receive appropriate reimbursement for school-based medical services provided to eligible children. Because of these constraints, schools continue to absorb extensive medical costs that the Medicaid program should rightfully provide. The Obama Administration's actions to overturn the prior Medicaid regulations will allow schools to provide services to eligible students and receive federal reimbursements. Since school health personnel are often among the few health professionals to whom low-income children have access, maintaining an effective school-based Medicaid program is critical to the nation's medically underserved children.

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Children's Health Insurance Program (CHIP)

Title XXI, Social Security Act

Kimberly, a single mother, and her two children live in Central Iowa. Her kids have been on CHIP since 2003. The best thing about CHIP is the money it saves their family. This savings goes toward living a modest life. A home, a dependable car, and paying the bills are achieved without risking the children's health. If a serious medical need would arise, there is peace of mind their family's livelihood would remain intact.

Description

CHIP provides enhanced federal matching payments to States to assist in providing health care coverage for millions of low-income uninsured children whose families earn too much to qualify for Medicaid but who do not have options for employer-provided coverage or cannot afford to purchase private insurance on their own. The program was created in 1997 and reauthorized in 2009. CHIP is set to expire in 2019; however, additional funding for the program will be required after FY 2015.

Funding History (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$7,890.00	\$9,900.00	\$10,230.00

Impact of President's Budget

The FY 2013 budget provides funding to improve health care access and insurance coverage for low-income children, with a particular focus on enrolling those children who are already eligible for Medicaid or CHIP. Funding for CHIP in FY 2013 will be targeted at increasing enrollment by 13 percent over the FY 2008 baseline (from 7.4 million up to 8.36 million children).

Impact of Sequestration

CHIP is exempt from sequestration.

Program Need

Currently, there are 7.3 million children in the United States who are uninsured, including 5 million who are eligible but not enrolled in CHIP or Medicaid. In 2009 Congress reauthorized CHIP (P.L. 111-3) from April 2009 through September 2013, providing \$44 billion through 2013 to maintain State programs and insure more children. More recently, the Affordable Care Act (P.L. 111-148) extended funding for CHIP through FY 2015, providing an additional \$28.8 billion in budget authority over the baseline.

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Child Care and Development Fund

Child Care and Development Block Grant Act (CCDBG) and Section 418, Social Security Act

December 2011 - Just when families are facing more obstacles than ever to making ends meet, with high unemployment and a still struggling economy, they are also losing access to one of the most significant work supports they have: a government subsidy that helps pay for child care. Sheontay Smith, a single mother in Baltimore, and her son are among nearly 8,000 families on a waiting list for the subsidy in Maryland. Pennsylvania's list doubled since the previous year to more than 10,000 children, according to the National Women's Law Center. Families are being expected to do more with less as States further restrict eligibility for the subsidies and raise co-payments to cover the growing demand.

Description

The Child Care and Development Fund (CCDF) is the major source of federal child care assistance to children ages 0 to 13 in low and moderate-income families. To qualify for child care assistance, families must be working or in school and must meet income eligibility guidelines set by States within broad parameters in federal law. Funds from CCDF are used to help low and moderate-income families cover the cost of child care services. Additionally, a modest portion (at least 4 percent) of CCDF funds may be used to increase the quality of care. CCDF is funded through both discretionary and mandatory appropriations.

Funding History* (in millions)

<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013 President's Request</u>
\$ 5,140.00	\$5,200.00	\$6,000.00

**These figures represent the discretionary and mandatory portions of CCDF.*

Impact of President's Budget

Under the president's budget request for FY 2013, CCDBG would receive an increase of \$825 million. Disaggregated by mandatory and discretionary spending, \$500 million would be in mandatory funding while the discretionary side would see a \$325 increase. Of the increase on the discretionary side, \$300 million would serve as an initiative to support child care quality (rating systems to help parents locate high-quality child care programs; improvements in teacher quality). The new quality funds would be distributed to States on both a formula and competitive grant basis.

Impact of Sequestration

If sequestration is triggered, in 2013 CCDBG could face up to an 8 percent reduction in discretionary funding. However, some CCDBG funds are exempt from cuts.

Program Need

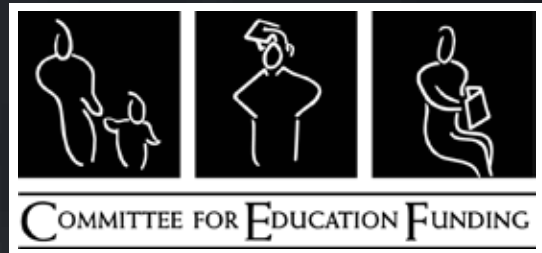
High-quality child care is necessary to promote the safety and healthy development of children while their parents are at work, and to allow parents to go to work with the peace of mind that their children are being cared for in a high quality environment. Unfortunately, only a small portion of eligible children receive assistance, and many States have waiting lists for child care support. In an era where a majority of mothers with young children work, it is imperative Congress expand funding for this critical program in order to serve a greater number of eligible children and assist States in their efforts to improve child care quality.

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